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INVESTIGATION OF IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD

HEARINGS
BEFORE THE
SELECT COMMITTEE
ON IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD
EIGHTY-FIFTH CONGRESS
FIRST SESSION

PURSUANT TO SENATE RESOLUTION 74, 85TH CONGRESS

OCTOBER 30, 31, NOVEMBER 1, 4, AND 5, 1957

PART 16

Printed for the use of the Select Committee on Improper Activities in the
Labor or Management Field



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JAN 29 1958

SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR
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CONTENTS

DETROIT, MICH., AND RELATED AREAS (SHEFFERMAN)

	Page
Appendix.....	6573
Testimony of—	
Bellino, Carmine S.....	6523, 6564
Bender, Fred W.....	6291
Graff, Max H.....	6438, 6445
Graham, James.....	6387
Jackson, Louis.....	6342, 6367
Kamenow, George.....	6507, 6524
Katz, Michael.....	1

0
3
5
5
9
7
3
)
3
)
4
)
)

ERRATUM SHEET

There are no exhibits numbered 31 and 32. These were skipped in the numbering.

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EXHIBITS

	Introduced on page	Appears on page
33. Check No. 803 dated April 4, 1953, payable to Mike Katz, in the amount of \$2,300 and signed by Shelton Shefferman.....	6262	6573
34. Check No. 804 dated April 4, 1953, payable to Western Union and sent to Mike Katz, in the amount of \$500 and signed by Shelton Shefferman.....	6262	6574
35. Telegram dated August 7, 1956, San Francisco, Calif., to Nathan Shefferman, Chicago, from Mike Katz.....	6265	(**)
36. Letter dated September 20, 1956, on stationery of International Brotherhood of Teamsters, Warehousemen and Helpers of America, Washington, D. C., to Dave Beck and signed by J. R. Hoffa, Conference of Englander Locals.....	6298	6575— 6577
37A. Check No. 3150 dated December 13, 1954, payable to Fred B. Wheeler, in the amount of \$1,000 and signed by Shelton Shefferman.....	6321	6578

**Will be found in the printed report.

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S
P

CONTENTS

DETROIT, MICH., AND RELATED AREAS (SHEFFERMAN)

	Page
Appendix.....	6573
Testimony of—	
Bellino, Carmine S.....	6523, 6564
Bender, Fred W.....	6291
Graff, Max H.....	6438, 6445
Graham, James.....	6387
Jackson, Louis.....	6342, 6367
Kamenow, George.....	6507, 6524
Katz, Michael.....	6241
Kierdorf, Frank H.....	6527, 6540
Korshak, Sidney R.....	6274, 6283
Langenbacher, Erwin.....	6445, 6496, 6503, 6536, 6545
MacGregor, Kent L.....	6475
Mennen, George.....	6327, 6398, 6399
Moser, Henry S.....	6307
Nagle, David.....	6374, 6393
Oldenburg, Henry.....	6339, 6399
Pitzele, Merlyn S.....	6403
Powell, Hyman.....	6299
Rhodes, William E.....	6394
Salay, Emile.....	6469
Salinger, Pierre E. G.....	6282, 6298, 6556
Schagane, Chester.....	6451
Schreiber, Abe.....	6460
Shefferman, Nathan W.....	6550, 6556, 6557, 6567
Shefferman, Shelton.....	6550, 6556, 6557, 6567
Sheridan, Walter.....	6555
Shelley, Hon. John F.....	6294
Skaff, Donald.....	6427
Spaulding, George.....	6483
Thompson, Jack D.....	6541, 6546
Thrower, Albert R.....	6493
Wagner, Garfield.....	6497, 6504
Wheeler, Fred B.....	6318

EXHIBITS

	Introduced on page	Appears on page
33. Check No. 803 dated April 4, 1953, payable to Mike Katz, in the amount of \$2,300 and signed by Shelton Shefferman.....	6262	6573
34. Check No. 804 dated April 4, 1953, payable to Western Union and sent to Mike Katz, in the amount of \$500 and signed by Shelton Shefferman.....	6262	6574
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36. Letter dated September 20, 1956, on stationery of International Brotherhood of Teamsters, Warehousemen and Helpers of America, Washington, D. C., to Dave Beck and signed by J. R. Hoffa, Conference of Englander Locals.....	6298	6575- 6577
37A. Check No. 3150 dated December 13, 1954, payable to Fred B. Wheeler, in the amount of \$1,000 and signed by Shelton Shefferman.....	6321	6578

**Will be found in the printed report.

EXHIBITS—Continued

	Introduced on page	Appears on page
37B. Check No. 3151 dated December 13, 1954, payable to Fred B. Wheeler, in the amount of \$1,000 and signed by Shelton Shefferman-----	6321	6579
38. Check No. 105 dated December 1954, payable to cash in the amount of \$2,000 and signed by Fred B. Wheeler-----	6321	6580
39. Travel expense report made to Labor Relations Associates by Fred Wheeler-----	6321	6581
40. Letter dated May 12, 1954, to employees and signed by George Mennen-----	6360	(**)
41. Interoffice memorandum from L. J. to the files, Subject: Englander, Pittsburgh, and signed by Mr. Louis Jackson-----	6364	(**)
42. Interoffice memorandum from L. J. dated June 20, 1955, Subject: Milton Gordon-----	6365	(**)
43. Slip of paper given to Mr. Graham with the name of John A. Wyckoff, 9 Burch Drive, Morris Plains, N. J., Mo.-4-6770-M, who is a lawyer-----	6378	6582
44. Check No. 9180 dated August 15, 1956, payable to Trans World Airlines in the amount of \$1,998.80 and signed by W. N. Skaff-----	6434	6583
45. Letter dated April 8, 1954, to Otto Graff, Inc., Flint, Mich., and signed by Henry Lower, local 299, Detroit-----	6439	6584
46. Letter dated April 22, 1954 to Otto P. Graff, Inc., from Frank Kierdorf, general organizer, General Drivers Union, Local 332-----	6441	6585- 6586
47A. Bill charged to Otto P. Graff, Inc., by Labor Relations Associates, dated June 30, 1954, in the amount of \$1,894.13-----	6443	6587
47B. Bill charged to Otto P. Graff, Inc., by Labor Relations Associates, dated June 30, 1955 in the amount of \$600-----	6443	6588
47C. Bill charged to Otto P. Graff, Inc., by Labor Relations Associates, dated July 31, 1955, in the amount of \$600-----	6443	6589
47D. Bill charged to Otto P. Graff, Inc., by Labor Relations Associates, dated August 31, 1955, in the amount of \$600-----	6443	6590
47E. Bill charged to Otto P. Graff, Inc., by Labor Relations Associates, dated September 30, 1955, in the amount of \$400-----	6443	6591
47F. Bill charged to Otto P. Graff, Inc., by Labor Relations Associates, dated December 31, 1955, in the amount of \$250-----	6443	6592
47G. Bill charged to Otto P. Graff, Inc., by Labor Relations Associates, dated June 30, 1956, in the amount of \$1,325.97-----	6443	6593
47H. Bill charged to Otto P. Graff, Inc., by Labor Relations Associates, dated December 31, 1956, in the amount of \$775-----	6443	6594
48A. Check No. 2383 of Otto P. Graff, Inc., dated July 17, 1954, payable to Labor Relations Associates, in the amount of \$1,894.13-----	6443	6595
48B. Check No. 6749 of Otto P. Graff, Inc., dated July 16, 1955, payable to Labor Relations Associates, in the amount of \$600-----	6443	6596
48C. Check No. 7122 of Otto P. Graff, Inc., dated August 12, 1955, payable to Labor Relations Associates, in the amount of \$600-----	6443	6597
48D. Check No. 7573 of Otto P. Graff, Inc., dated September 19, 1955, payable to Labor Relations Associates in the amount of \$600-----	6443	6598
48E. Check No. 7953 of Otto P. Graff, Inc., dated October 18, 1955, payable to Labor Relations Associates in the amount of \$400-----	6443	6599

**Will be found in the printed report.

EXHIBITS—Continued

	Introduced on page	Appears on page
48F. Check No. 9081 of Otto P. Graff, Inc., dated January 17, 1956, payable to Labor Relations Associates in the amount of \$250-----	6443	6600
48G. Check No. 1264 of Otto P. Graff, Inc., dated July 23, 1956, payable to Labor Relations Associates in the amount of \$1,325.97-----	6443	6601
48H. Check No. 3259 of Otto P. Graff, Inc., dated January 28, 1957, payable to Labor Relations Associates in the amount of \$775-----	6443	6602
49. Check No. 44999 of Advance Electric Supply Co., dated December 20, 1954, payable to George Kamenow, in the amount of \$2,000-----	6454	6603
50A. Bill rendered to Royalite Co. by Labor Relations Associates, dated December 31, 1954, in the amount of \$705-----	6466	6604
50B. Bill rendered to Royalite Co. by Labor Relations Associates dated January 11, 1955, in the amount of \$800-----	6466	6605
50C. Bill rendered to Royalite Co. by Labor Relations Associates dated February 28, 1955, in the amount of \$800-----	6466	6606
50D. Bill rendered to Royalite Co. by Labor Relations Associates dated February 29, 1956, in the amount of \$917.33-----	6466	6607
50E. Bill rendered to Royalite Co. by Labor Relations Associates dated March 31, 1956, in the amount of \$856.08-----	6466	6608
50F. Bill rendered to Royalite Co. by Labor Relations Associates dated May 31, 1956, in the amount of \$1,350.88-----	6466	6609
50G. Bill rendered to Royalite Co. by Labor Relations Associates dated December 31, 1956, in the amount of \$1,287.77-----	6466	6610
51A. Check of Royalite Co. dated December 31, 1954, payable to Labor Relations Associates in the amount of \$705-----	6466	6611
51B. Check of Royalite Co. dated March 3, 1955, payable to Labor Relations Associates in the amount of \$800--	6466	6612
51C. Check of Royalite Co. dated April 13, 1955, payable to Labor Relations Associates in the amount of \$800--	6466	6613
51D. Check of Royalite Co. dated March 26, 1956, payable to Labor Relations Associates in the amount of \$512.13--	6466	6614
51E. Check of Royalite Co. dated July 9, 1956, payable to Labor Relations Associates in the amount of \$450.88--	6466	6615
51F. Check of Royalite Co. dated November 5, 1956, payable to Labor Relations Associates in the amount of \$500-----	6466	6616
51G. Check of Royalite Co. dated February 18, 1957, payable to Labor Relations Associates in the amount of \$500-----	6466	6617
52. Bill rendered to Flint Sausage Works, Inc., by Labor Relations Associates, dated July 31, 1956, in the amount of \$2,227.42 and check No. A7997, dated August 16, 1956, payable to Labor Relations Associates in the amount of \$2,227.42 signed by Emile Salay-----	6474	6618
53A. Statement to MacGregor Tire Co. from Labor Relations Associates dated April 30, 1954, in the amount of \$706.99-----	6483	6619
53B. Statement to MacGregor Tire Co. from Labor Relations Associates dated November 30, 1954, in the amount of \$595.08-----	6483	6620
53C. Statement to MacGregor Tire Co. from Labor Relations Associates in the amount of \$350-----	6483	6621
54A. Check No. 11697, dated May 19, 1954, payable to Labor Relations Associates in the amount of \$706.99 and signed by Kent MacGregor-----	6483	6622

EXHIBITS—Continued

	Introduced on page	Appears on page
54B. Check No. 12414, dated December 14, 1954, payable to Labor Relations Associates in the amount of \$520.08 and signed by Kent MacGregor-----	6483	6623
54C. Check No. 12415, dated December 14, 1954, payable to Labor Relations Associates in the amount of \$75, and signed by Kent MacGregor-----	6483	6624
54D. Check No. 13578, dated October 20, 1955, payable to Labor Relations Associates in the amount of \$350, and signed by Kent MacGregor-----	6483	6625
55A. Statement to Applegate Chevrolet Co., from Labor Relations Associates, dated August 31, 1954, in the amount of \$2,293.06-----	6486	6626
55B. Statement to Applegate Chevrolet Co., from Labor Relations Associates, dated May 31, 1955, in the amount of \$2,105.08-----	6486	6627
55C. Statement to Applegate Chevrolet Co., from Labor Relations Associates, dated December 31, 1955, in the amount of \$402.06-----	6486	6628
55D. Statement to Applegate Chevrolet Co., from Labor Relations Associates, dated May 31, 1956, in the amount of \$2,100-----	6486	6629
56A. Check No. 2537, of Applegate Chevrolet Co., dated September 17, 1954, payable to Labor Relations Associates in the amount of \$2,293.06-----	6486	6630
56B. Check No. 3483, of Applegate Chevrolet Co., dated June 15, 1955, payable to Labor Relations Associates in the amount of \$2,105.08-----	6486	6631
56C. Check No. 4107, of Applegate Chevrolet Co., dated January 17, 1956, payable to Labor Relations Associates in the amount of \$402.06-----	6486	6632
56D. Check No. 4780, of Applegate Chevrolet Co., dated June 19, 1956, payable to Labor Relations Associates in the amount of \$2,100-----	6486	6633
57A. Statement to Kelly Homes from Labor Relations Associates, dated November 30, 1954, in the amount of \$2,741.81-----	6495	6634
57B. Check No. 1223, dated June 24, 1955, payable to Labor Relations Associates, in the amount of \$2,124.97, signed by Albert Thrower of Kelly Development Co.-----	6495	6635
57C. Check No. 399, dated September 2, 1954, payable to Merchants & Mechanics Bank in the amount of \$2,000 signed by Albert Thrower of Kelly Development Co.-----	6495	6636
58. Telegram dated March 6, 1957, to manager, McDonald Cooperative Dairy, and signed by Leonard Bennett, State mediation board-----	6499	(**)
59A-O. Fifteen statements to McDonald Cooperative Dairy, from Labor Relations Associates dated from November 30, 1955, through April 30, 1957, in the amount of \$11,150.94-----	6502	(*)
60. Daily report of December 14, 1953, of Mr. Kamenow for mileage expenses in the amount of \$480.25-----	6515	6637
61. Daily report of Mr. Kamenow dated December 18, 1953, entry charged to Awrey Bakery in the amount of \$425, marked "Xmas gifts"-----	6515	6638
62. Daily report of Mr. Kamenow in the amount of \$1,635.95 for mileage expense-----	6517	6639
63. Travel expense report, August 25 through 28, 1954, 1954, showing travel expense for August 28, 1954, in the amount of \$1,991.90-----	6517	6640
64. Check No. 2736 dated August 30, 1954, payable to George Kamenow in the amount of \$2,000 and signed by Nathan Shefferman-----	6518	6641

*Will be found in the files of the select committee.

**Will be found in the printed report.

EXHIBITS—Continued

	Introduced on page	Appears on page
65A. Daily report of Mr. Kamenow, dated November 10, 1955, northern trip, Detroit to Iron Mountain in the amount of \$292.36.....	6520	6642
65B. Daily report of Mr. Kamenow, dated November 18, 1955, northern trip, expenses in the amount of \$400.....	6520	6643
65C. Daily report of Mr. Kamenow, dated November 18, 1955, northern trip, travel and miscellaneous expenses in the amount of \$703.91.....	6520	6644
66. Daily report of Mr. Kamenow, dated August 3, 1955, expenses in regard the Chamberlain Co. in the amount of \$575.50.....	6521	6645
67A. Check No. 4847, dated January 16, 1956, payable to George Kamenow in the amount of \$1,776.79, signed by Shelton Shefferman and endorsed Chamberlain Corp. by Oline Zoller.....	6522	6646
67B. Check No. 4848, dated January 16, 1956, payable to George Kamenow, signed by Shelton Shefferman in the amount of \$529.20 and endorsed Chamberlain Corp. by Oline Zoller.....	6522	6647
67C. Check No. 5634, dated July 20, 1956, payable to George Kamenow, in the amount of \$2,043.80 and signed by Shelton Shefferman.....	6522	6648
67D-K. Checks, payable to George Kamenow, in various amounts.....	6522	(*)
68. Clients to whom George Kamenow charged Christmas gifts, 1953, 1954, 1955, and 1956 in the amount of \$23,274.93.....	6524	6649
69. Schedule of selected entertainment and transportation expenses shown on daily reports for the years 1953 through 1956, in the amount of \$33,710.22.....	6524	6650- 6652
70. Articles of agreement, Carbonated Beverages—Sales Drivers and General Drivers Local 142, years 1955-57, approved by Nathan Shefferman, dated September 3, 1955.....	6555	(*)
71. Memorandum agreement, supplement to and part of the agreement of November 18, 1953, between Retail Associates, Inc., on behalf of LaSalle & Koch Co. with Lion Dry Goods, Inc., and Tiedkte's Inc., and Lamson Bros., Toledo, Ohio, and signed by Nathan Shefferman.....	6556	6653- 6655
72. Document to National Boulevard Bank of Chicago, dated July 30, 1956, signed by Shelton Shefferman with order to buy \$10,000 United States Treasury bonds at market.....	6560	6656
73. Notice of maturity note, dated January 31, 1957, in the amount of \$6,600, showing Mr. L. N. Steinberg had borrowed \$6,600.....	6560	6657
74. Cashier's check No. 977090 dated July 31, 1956, payable to L. N. Steinberg in the amount of \$6,448.20.....	6561	6658*
Proceedings of—		
October 30, 1957.....	6241	
October 31, 1957.....	6327	
November 1, 1957.....	6403	
November 4, 1957.....	6427	
November 5, 1957.....	6507	

*Will be found in the files of the select committee.

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, OCTOBER 30, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10:30 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving M. Ives, Republican, New York; Senator Pat McNamara, Democrat, Michigan; Senator Barry Goldwater, Republican, Arizona.

Also present: Robert F. Kennedy, chief counsel; Pierre E. G. Salinger, investigator; Walter Sheridan, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will come to order.

(Members of the select committee present at the convening of the session were Senators McClellan, Ives, McNamara, and Goldwater.)

The CHAIRMAN. Call your next witness.

Mr. KENNEDY. Mr. Mike Katz.

Mr. KATZ. Before I am sworn, I would like to make a statement.

The CHAIRMAN. You may make a brief statement.

(Mr. Katz made a short statement off the record.)

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth so help you God?

Mr. KATZ. I do.

TESTIMONY OF MICHAEL KATZ

The CHAIRMAN. State your name and your place of residence and your business or occupation.

Mr. KATZ. My name is Michael Katz, K-a-t-z. I reside in San Francisco, Calif.

The CHAIRMAN. What is your street address?

Mr. KATZ. No address, please.

The CHAIRMAN. What is your occupation?

Mr. KATZ. I was employed as a "rat exterminator" and a Communist exterminator for 15 years.

The CHAIRMAN. Employed as what?

Mr. KATZ. A rat and Communist exterminator. That is right, Your Honor.

Mr. KENNEDY. A rat and Communist exterminator?

The CHAIRMAN. I hope you were successful.

Mr. KATZ. For 10 years we were successful, Senator McClellan.

The CHAIRMAN. Are you now employed?

Mr. KATZ. At the present time I am at liberty.

The CHAIRMAN. You are at liberty?

Mr. KATZ. Yes.

The CHAIRMAN. You waive counsel, do you?

Mr. KATZ. I do.

The CHAIRMAN. Now then, if you wish to make a brief statement under oath, you may do so.

Mr. KATZ. All right, Senator.

When I was served the first subpoena so dramatically in the post office in San Francisco, and the newspapers took up the line from there and all about San Francisco, many of the fine trade unionists asked me, "What goes?"

I informed them I knew nothing "what goes," except what the investigator had asked me, and the answers I had given the investigator to the best of my ability with reference to certain activities.

I did not know what the subpoena was about until he had explained it to me with reference to several people. As time went by, newspaper reporters on the coast kept on asking me questions, and I knew no answers until I go to Washington.

When I came the first time to Washington, Mr. Senator, I had a long conference with 2 more investigators, and they went over another 10 years of my life, what my activities were. I did not know. All I knew is that I came to Washington to testify under the subpoena given to me as a witness.

I did not know if I was a defendant. All I knew I was a witness. After 2 days of discussing the matters with the committee investigators who are a little, let us say, hasty, say they are trying to do a job.

The CHAIRMAN. You say they are pretty good?

Mr. KATZ. I didn't say they are pretty good. I think they are reaching out too far.

The CHAIRMAN. We will see, and we will get your testimony.

Mr. KATZ. That is right and Mr. Senator, up until a week ago when I finally received word from one of your investigators, to finally come to Washington, I asked them over the phone and I sent a telegram to the effect to your office, "Why can't I come on the 21st so I can hear all of these characters that you have been discussing about." The last time I was here in Washington I wanted to get a chance to listen to some of these so-called witnesses.

The CHAIRMAN. You are welcome at any hearing, sir. You are welcome to be here at any time.

Mr. KATZ. I thank you for your return telegram at my request, my request that I be permitted to come here at the 21st and listen to all of the testimony. You did answer the telegram and did send me a ticket finally, round trip.

The CHAIRMAN. We sent you the ticket when we wanted you.

All right, Mr. Counsel, proceed.

Mr. KENNEDY. You have been in the labor union movement, Mr. Katz?

Mr. KATZ. Yes, sir.

Mr. KENNEDY. For how long have you been?

Mr. KATZ. Twenty-seven years.

Mr. KENNEDY. Twenty-seven years?

Mr. KATZ. Yes, sir.

Mr. KENNEDY. How did you start out, and what union were you in originally?

Mr. KATZ. My first strike was the lollypop strike when I was 13 years of age, Public School 25, in New York City.

Mr. KENNEDY. A lollypop strike?

Mr. KATZ. That is right.

Mr. KENNEDY. What union were you in?

Mr. KATZ. At that time we had a students' group there.

Mr. KENNEDY. What?

Mr. KATZ. A students' group.

Mr. KENNEDY. What union were you in after you got out of school? Would you tell us what official position did you hold in unions? I would like to get a little bit of your background and history.

Mr. KATZ. For many years I was engaged in activities to organize the different retail stores, wholesale factories, and manufacturing plants as an inside worker as we call an inside organizer.

Mr. KENNEDY. What is an inside organizer?

Mr. KATZ. An inside organizer is a fellow that goes into the plant and gets a job and does his work and at the same time gets the workers to bring them out to the union meetings and discuss the problems in the plant and present to our employer a union contract. That was before the NRA.

Mr. KENNEDY. What unions were you working for, as an inside organizer?

Mr. KATZ. Inside organizer for Sidney Hillman and I worked for Dubinsky, and I worked for the retail clerks with various different offices.

Mr. KENNEDY. What was your base of operations chiefly?

Mr. KATZ. At that time in New York City.

Mr. KENNEDY. You worked in New York City for various unions?

Mr. KATZ. Yes, sir.

Mr. KENNEDY. You would go in and get hired and then do work and try to organize the plant; is that right?

Mr. KATZ. That is right; that is an inside organizer.

Mr. KENNEDY. That is an inside organizer?

Mr. KATZ. Yes, sir.

Mr. KENNEDY. Did you ever become an official of any union?

Mr. KATZ. No, sir.

Mr. KENNEDY. You never did?

Mr. KATZ. I never wanted to be an official.

Mr. KENNEDY. You never have been an official of a union?

Mr. KATZ. Not in New York.

Mr. KENNEDY. Well, have you been an official any place else?

Mr. KATZ. I have been an official many times after that. I don't know what you mean by "official," a representative?

Mr. KENNEDY. You moved from New York and where did you go after that?

Mr. KATZ. I went to California.

Mr. KENNEDY. What year was that?

Mr. KATZ. In 1940.

Mr. KENNEDY. Did you continue your work with labor unions there?

Mr. KATZ. No; I was supposed to go overseas with the Seabees, and I was deferred because they found out I was a diabetic, so I went to work in the shipyards as a steamfitter.

Mr. KENNEDY. Did you become a union man there?

Mr. KATZ. No, sir; during the time there, there was no activities at the time because the war was on, and all we did was have fine labor-management and labor-union committees, with the Government as chairman at all times. That was until the war was over.

Mr. KENNEDY. What did you do then?

Mr. KATZ. After the war was over, it seemed that the gates started to open to destroy the labor unions in California.

Mr. KENNEDY. The gates started to open?

Mr. KATZ. To destroy. Management wanted to destroy the labor unions in California.

Mr. KENNEDY. And were you trying to close the gates, or what?

Mr. KATZ. We were there in front of the gates there to stop the companies from hiring scabs at Bethlehem for the metal trades.

Mr. KENNEDY. Who were you working for?

Mr. KATZ. I worked for the council at that time.

Mr. KENNEDY. What council?

Mr. KATZ. The Metal Trades Council.

Mr. KENNEDY. Was that Joe Roberts you were working for at that time?

Mr. KATZ. No, sir.

Mr. KENNEDY. Go ahead.

Mr. KATZ. At that time, there, the company had opened its door in Bethlehem, the usual practice, to hire nonunion men, and we had a beef in the yard about maintaining our union contract and seeing that the employees get their rights. Bethlehem informed us that there will be no more union here, and with that result a strike ensued. I was stabbed on the picket line by a scab.

Mr. KENNEDY. You were what?

Mr. KATZ. Stabbed on the picket line by a scab, and I refused to testify against the man.

Mr. KENNEDY. Then what did you do?

Mr. KATZ. After the strike was settled at the Bethlehem Steel, a call to arms was given on the waterfront in San Francisco. All of the volunteers rushed to the waterfront because Mr. Bridges, Commissar Bridges, with the help of the shipowners, had tried to infringe on the labor rights of other workers who are unionmen. They were good Americans.

Mr. KENNEDY. What did you do?

Mr. KATZ. What did I do? I participated as an activist on that waterfront, and volunteers met with Commissar Bridges' men and a fight ensued, and several of the men were hurt and injured, and after the riot was over we went back to our respective headquarters.

Mr. KENNEDY. Where was your headquarters at that time?

Mr. KATZ. At that time, the labor temple, I was working at that time for Secretary John O'Connell, the immortal John O'Connell.

Mr. KENNEDY. And then after you were working for John O'Connell, then what did you do?

Mr. KATZ. I participated in every activity against the Communist Party and Mr. Bridges, Commissar Bridges, to take away or break up all of the small unions in San Francisco. Every time that they tried to disorganize an AFL shop plant, the volunteers came out there to protect the workers at all times.

Mr. KENNEDY. You were one of the volunteers?

Mr. KATZ. Yes, sir; one of the volunteers.

Mr. KENNEDY. Where were your headquarters then?

Mr. KATZ. In the labor temple in San Francisco.

Mr. KENNEDY. You just remained in the temple and when they asked for volunteers, out you would come.

Mr. KATZ. I didn't remain in the labor temple all day. In the morning at 5 o'clock we went out to organize the different plants, shops, that the little unions couldn't control because of Commissar Bridges' activities with the strongarm squads and goons, in front of these little places, keeping the AFL workers out. This always started about 6 in the morning because the men used to line up.

Mr. KENNEDY. So then you would come out; would you?

Mr. KATZ. My volunteers.

Mr. KENNEDY. You had people working under you?

Mr. KATZ. Nobody worked under me. Every man was a volunteer.

Mr. KENNEDY. All of you volunteers would rush out?

Mr. KATZ. From the labor temple, and we would rush out in cars, trucks, and taxis; that is correct. The San Francisco Police Department has the full record. We rushed out there.

Mr. KENNEDY. Speaking of records, have you had some difficulty with the police?

Mr. KATZ. I have had many difficulties with the police. We are talking about, as you said, Mr. Counsel, what goes in San Francisco with myself and my activities. That is what I want to answer.

Mr. KENNEDY. Then what happened? For what period of time was all of this going on?

Mr. KATZ. This went on, it took us almost about a year before we crushed Commissar Bridges' activities.

Mr. KENNEDY. What year was this that you were doing this volunteer work?

Mr. KATZ. 1946 and 1947.

Mr. KENNEDY. You were getting paid by whom?

Mr. KATZ. The labor council.

Mr. KENNEDY. That is all you did was just be a volunteer?

Mr. KATZ. All we did was not only volunteer, but organize the unorganized plants in the city.

Mr. KENNEDY. For whom?

Mr. KATZ. For the labor council and through the little labor unions who had the jurisdiction at that time.

Mr. KENNEDY. You would go out as an organizer?

Mr. KATZ. That is correct.

Mr. KENNEDY. For any union that wanted you?

Mr. KATZ. Any union that needed assistance, Mr. Counsel.

Mr. KENNEDY. You would go out and do the organizing?

Mr. KATZ. I was instructed to go out by John O'Connell, the secretary, to go out and the other organizers of the different unions, and sign workers up, and prepare them for NLRB hearings and for elections.

Mr. KENNEDY. What year was this going on?

Mr. KATZ. 1946, 1947, and 1948.

Mr. KENNEDY. You were a volunteer during all of this period of time?

Mr. KATZ. I was working for the council.

Mr. KENNEDY. Then in 1948, what did you do then?

Mr. KATZ. In 1948, let me see now. In 1948 I worked for so many various unions in their troubles, in 1948 with the machinists on Communist invasion.

Mr. KENNEDY. You were fighting the Communists again in 1948?

Mr. KATZ. That is correct.

Mr. KENNEDY. In the machinists?

Mr. KATZ. That is right. I was employed then by the machinists union.

Mr. KENNEDY. Then what did you do after the machinists?

Mr. KATZ. After the machinists union, I was called in to assist the leather workers union, and the garment workers union, the canning workers union, the laundry workers union, and any union needing aid.

Mr. KENNEDY. They would call on Mike Katz?

Mr. KATZ. They called on the volunteers and Mike Katz, and I was organizing for the council and so I had to coordinate the drive with the other representatives of the local who had not the experience.

Mr. KENNEDY. In 1950, were you with the upholsterers union?

Mr. KATZ. In 1950? In 1950, yes; I was with the upholsterers union.

Mr. KENNEDY. In 1951 how long did you stay with the upholsterers union?

Mr. KATZ. I stayed with the upholsterers, I think, for 6 months, and I had several elections which we had won and coordinated drives on different plants with other unions.

Mr. KENNEDY. Then did you leave the upholsterers union?

Mr. KATZ. Yes; I left the upholsterers union.

Mr. KENNEDY. Voluntarily?

Mr. KATZ. Definitely, my job was done.

Mr. KENNEDY. You had organized the unorganized?

Mr. KATZ. I had organized those plants that had been set out to be organized.

Mr. KENNEDY. What did you do then?

Mr. KATZ. Then I went to work for the garment workers in Los Angeles, chasing the Communists up and down Los Angeles in front of the shirt factories.

Mr. KENNEDY. Then, when were you with them?

Mr. KATZ. The garment workers, it was just before I left the upholsterers. I had agreed to go down to Los Angeles to fight the Communist Party. At that time it was called the Amalgamated Clothing Workers and the Wood Workers of America, Perlo's group of the Communist Party.

They all were organizing the shirt workers, even the wood workers.

Mr. KENNEDY. So you were fighting them?

Mr. KATZ. We were fighting them.

Mr. KENNEDY. And then after the upholsterers union, whom did you go with?

Mr. KATZ. After the upholsterers union, it came to my attention that the Military Sea Transportation Service Workers had come to

John Sweeney, the AFL organizer, and discussed that they would like to get the assistance and help in order to organize the Military Sea Transportation Workers, which involved 40,000 men around the world.

Mr. KENNEDY. So what did you do?

Mr. KATZ. I agreed to help in the campaign.

Mr. KENNEDY. What union was that?

Mr. KATZ. That was the Government Employees Union.

Mr. KENNEDY. That is the American Federation of Government Employees?

Mr. KATZ. That is correct, at that time.

Mr. KENNEDY. Was that in 1951?

Mr. KATZ. That is right.

Mr. KENNEDY. You were an organizer or were you an officer for them?

Mr. KATZ. I was an organizer and then became an officer.

Mr. KENNEDY. What position did you take in that?

Mr. KATZ. I was organizer and became an officer later on.

Mr. KENNEDY. What office?

Mr. KATZ. I was voted in as president.

Mr. KENNEDY. You were voted in as president?

Mr. KATZ. Yes, sir.

Mr. KENNEDY. Is that the first time you became an officer?

Mr. KATZ. That is the first time I became an officer.

Mr. KENNEDY. In 1951 you became president of the lodge, 1251, was it?

Mr. KATZ. Something like that.

Mr. KENNEDY. Of the American Federation of Government Employees?

Mr. KATZ. That is right.

Mr. KENNEDY. How long did you remain with them? How many members did you have there?

Mr. KATZ. We organized close to 5,000 members, in spite of Commissar Bridges attacking our organization from day to day.

Mr. KENNEDY. How long did you stay with them?

Mr. KATZ. I stuck with them until I had my stroke in New York while on assignment.

Mr. KENNEDY. You what?

Mr. KATZ. While on assignment to New York, to open the port of New York.

Mr. KENNEDY. What was this?

Mr. KATZ. In 1952, in February. After having a meeting, a hot meeting with one of the staff, the brass out at the Navy Yard, with reference to our men boarding the vessels and refused the right given to us by the Navy Department, I had returned to pick up pickets from our local headquarters which we had established and on the staircase I had a stroke and I was paralyzed.

Mr. KENNEDY. Where did you have your offices for this American Federation of Government Employees?

Mr. KATZ. At 450 Harrison Street, first, and then we moved to Mission Street.

Mr. KENNEDY. Was that the sailors?

Mr. KATZ. The Sailors Union of the Pacific.

Mr. KENNEDY. Did Mr. Lundberg ask you to leave there?

Mr. KATZ. No, sir.

Mr. KENNEDY. He didn't request you to get out of his office?

Mr. KATZ. At no time.

Mr. KENNEDY. Were you released from the American Federation of Government Employees?

Mr. KATZ. Released? I don't get that.

Mr. KENNEDY. Were you fired by them?

Mr. KATZ. No. I was never employed by the American Federation of Government Employees International.

Mr. KENNEDY. Were you president of the local? Were you forced to resign?

Mr. KATZ. I was not forced to resign. According to the constitution, while I was paralyzed, it said that in our constitution shall the president become incapacitated, the vice president shall take over.

Mr. KENNEDY. Were there any charges made against you at all?

Mr. KATZ. There were some charges after I got out. There were some officers that made charges to the district attorney that were kicked out. It was never proven, and it was kicked out.

Mr. KENNEDY. Did you go back into that union after you got well?

Mr. KATZ. No, I didn't get quite well at that time. It took me some time to get back and able to walk, and to be able to speak.

Mr. KENNEDY. Then what did you do?

Mr. KATZ. I then went to work. I was offered a position in Chicago by the Amalgamated Meat Cutters Union.

Mr. KENNEDY. Did you form another union of your own, then, another Government Employees Union?

Mr. KATZ. I thought we were speaking about the same thing.

Mr. KENNEDY. Wasn't there, or was there an unaffiliated union?

Mr. KATZ. That is correct.

Mr. KENNEDY. Then there was an affiliated union at one time?

Mr. KATZ. That is right.

Mr. KENNEDY. In 1951 you were with the affiliated union, is that right?

Mr. KATZ. I originally was with the affiliated union, and we decided after having a discourse with the president—

Mr. KENNEDY. You had a dispute with the president?

Mr. KATZ. Yes.

Mr. KENNEDY. So you walked out of that union, is that right?

Mr. KATZ. I did not walk out. I returned the message back to the port stewards, to all the delegates, what had transpired, that the president of the American Government Employees Union refused to see the light, that the only way we can fight these commissars on the seas, the same as the immortal Lundberg did, was not let them in our organization, that we would have to screen them as tightly as they were screened before they accepted positions in the military transportation.

Mr. KENNEDY. Had he made certain charges against you also?

Mr. KATZ. There were never any charges against me from the president.

Mr. KENNEDY. Were there charges from other people?

Mr. KATZ. No charges at no time before we became independent.

Mr. KENNEDY. At the period of time that you had the altercation, were there charges?

Mr. KATZ. There were no charges whatever. All they wanted was the per capita. We told them "What would they put in to organize?"

Mr. KENNEDY. So there was a question about the finances; was there not?

Mr. KATZ. There never was a question of finances——

Mr. KENNEDY. I mean at the time you broke up with them and formed your own local, there was a question of financing?

Mr. KATZ. There was no question of financing. There was a question of him coming along to see that all Government employees get a fair shake and money was necessary to organize the workers.

Mr. KENNEDY. The question of money came up between you and the international president?

Mr. KATZ. That is correct.

Mr. KENNEDY. And you then formed your own local union; is that right?

Mr. KATZ. No; it doesn't go step by step that way with unions. You just don't form your own locals.

Mr. KENNEDY. Well, you got a group together.

Mr. KATZ. No. I came back to California, as I said before. I met with all the men who come off the vessels, who are our stewards on the vessels, our "patrolmen" is the word we used, and discussed this matter, and they decided they would not want to be part of any group and pay any revenue to an organization that did not want to assist them and go all out in their fight to gain recognition before the United States Government.

Mr. KENNEDY. So what did you do?

Mr. KATZ. And after the meeting was held there, we had several port meetings of the different districts in the area, all held at 450 Harrison, and it was decided that we would call ourselves the Government Employees Union Independent.

We set up our constitution, which, under the laws of the Department, we sent this constitution to the Chief of Staff in Washington to be approved. We received communication from, I think it was, Hague, and he informed us that our organization was recognized. We then proceeded to passing out our literature and organizing the workers on the high seas.

Mr. KENNEDY. So you were unaffiliated at that time, an independent union?

Mr. KATZ. That is right.

Mr. KENNEDY. How long did you keep that independent—how long did you stay with that independent union?

Mr. KATZ. Until I was paralyzed.

Mr. KENNEDY. I thought you were paralyzed already. You were paralyzed after this, after this second one; is that right?

Mr. KATZ. That is right, after the second union. Let's stand corrected.

Mr. KENNEDY. Was there also an altercation at the time you left the second union, the independent union? Was there also a dispute about money at that time?

Mr. KATZ. I wasn't well enough to know what was going on.

Mr. KENNEDY. Did you have a lot of blank checks in your possession?

Mr. KATZ. When I was paralyzed?

Mr. KENNEDY. Yes.

Mr. KATZ. Yes. I had checks signed by the secretary-treasurer, which we generally do. When he goes on travel, I sign my name so he can have those checks for expenses. I had a lot of money with me, too, and drew money for expenses to travel to New York.

Mr. KENNEDY. So was there a dispute between the union and yourself regarding that money?

Mr. KATZ. At no time was there any dispute. The only thing, when I came out of the partial stroke and my family permitted me to read the papers and know what went on, and the workers came to my house, and the doctors advised them against coming to my house because I wasn't so well as to talk to them, I was very upset that this all had transpired after such a fine campaign had been set up. The first time in history the military sea transportation workers would finally have a chance to get a contract and recognition.

Mr. KENNEDY. Did you ever say to any of these officials that you would get two gunmen from Chicago and have them rubbed out?

Mr. KATZ. Again I want to point out to the committee that your investigators play cops and robbers. I have never—gunmen?

Mr. KENNEDY. Gunmen. Did you?

Mr. KATZ. I was paralyzed, Mr. Counsel.

Mr. KENNEDY. I know, but can you answer the question? Did you ever say to any of the officials of the union that you were going to get two Chicago gunmen and bring them to California and rub these men out?

Mr. KATZ. I was paralyzed, the record will show, and I was unable to speak at the time for months.

Mr. KENNEDY. Well, when you were able to speak.

Mr. KATZ. Well, at the time——

Mr. KENNEDY. Were you able to speak enough to say that to them?

Mr. KATZ. No. I left the hospital against the doctor's orders——

Mr. KENNEDY. Just tell me if you ever said that to the officials of the union, that you were going to get a couple of gunmen from Chicago and have them rubbed out.

Mr. KATZ. No, sir.

Mr. KENNEDY. You never did?

Mr. KATZ. It is ridiculous.

Mr. KENNEDY. Do you know Jack Shelley?

Mr. KATZ. Yes.

Mr. KENNEDY. Did you ever pull a gun on Jack Shelley?

Mr. KATZ. Never did. Had no reason to.

Mr. KENNEDY. Never did?

Mr. KATZ. That is right.

Mr. KENNEDY. Never did?

Mr. KATZ. That is correct.

Mr. KENNEDY. And you never made the statement to Mr. Dick Clare, who was the official of this union, that you were going to have a couple of gunmen from Chicago?

Mr. KATZ. With Mr. Dick Clare, I don't need any gunmen. I need these two hands and a good piece of pipe. Ex-Communist Clare you are speaking about, formerly with the machinists. He sold the machinists down the river.

Mr. KENNEDY. Did you ever say anything like that to him?

Mr. KATZ. For what reason? As long as I have these two hands, I will take him myself.

The CHAIRMAN. The first question is, Did you?

Mr. KATZ. No, sir.

The CHAIRMAN. If you say you did not, you did not.

Mr. KATZ. I never threatened anybody.

Mr. KENNEDY. You have had some problems with the law yourself, haven't you, Mr. Katz?

Mr. KATZ. I had many problems. In a lifetime people get hurt. They can't hurt me any more than I have been hurt before.

Mr. KENNEDY. Burglary and grand larceny back in 1931 and 1933?

Mr. KATZ. I don't know.

Mr. KENNEDY. Bad checks in the 1940's?

Mr. KATZ. I don't know.

Mr. KENNEDY. Well, can you remember in the 1950's, 1949, did you have a problem then?

Mr. KATZ. I had many problems, family problems, which comes to any man.

Mr. KENNEDY. In 1955 can you remember any problems that you had then?

Mr. KATZ. I had many problems.

Mr. KENNEDY. Are you on probation now?

Mr. KATZ. My probation is over.

Mr. KENNEDY. When was your probation over?

Mr. KATZ. In April of last year.

Mr. KENNEDY. April of 1957?

Mr. KATZ. April of 1956.

(At this point Senator Ives withdrew from the hearing room.)

Mr. KENNEDY. While you were with the upholsterers union, did you have a picket line out at the Englander Co.?

Mr. KATZ. May I review this, please? That was in 1951—1951. I was paralyzed in 1952, so I couldn't be anywhere near the Englander.

The CHAIRMAN. Let's talk about the area as much as we can when you were not paralyzed.

Mr. KATZ. You mean when I was working for or assisting the upholsterers union?

The CHAIRMAN. We accept your statement that at one time you were paralyzed.

Mr. KATZ. Well, the records will show that.

The CHAIRMAN. I don't doubt that. Let's get in the area, in the time when you were not paralyzed, and your activities at those times.

Mr. KENNEDY. Were you ever doing any work at the Englander Co.?

Mr. KATZ. Yes.

Mr. KENNEDY. When was that?

Mr. KATZ. In 1951.

Mr. KENNEDY. And what were you doing out there?

Mr. KATZ. We had called a meeting with the Warehousemen's Local 853, in Oakland, and discussed the Englander Co. coming into Oakland, Calif.

Mr. KENNEDY. Who was that? Who did you have the discussion with?

Mr. KATZ. Mr. Nichols.

Mr. KENNEDY. What was his position?

Mr. KATZ. He was business manager of the Teamsters Union, Local 853.

Mr. KENNEDY. So what did you decide to do?

Mr. KATZ. We first looked over, checked out, this Englander Co., and we found that they had the rottenest contract, with conditions comparable to what we had established in San Francisco over the years, 15 years that the upholsterers prior to my coming in had established with wages, that Englander was coming in with mass production and were cutting the wages down to about 70 or 80 cents less per hour than was paid in the prevailing area.

Mr. KENNEDY. What did you decide to do?

Mr. KATZ. We decided to send a letter to Mr. Friedburg, in Chicago, who is—I understood from the people at the plant—in production, that we would like to have a meeting to discuss the industry, with reference to coming into the area with the industry. We never received any answer from them.

Mr. KENNEDY. So what did you do then?

Mr. KATZ. We then met and discussed that we place an organizational picket line on there, and then they would come out at this time and discuss what goes before they opened that plant. We were not going to permit this plant to come into an area——

Mr. KENNEDY. So you put a picket line there before it opened, is that right?

Mr. KATZ. The plant had several people in it, as I understood, and I was notified—I am far ahead of myself—that local 262 of the furniture workers were out there trying to organize the plant, and local 262 was a Communist organizer. Hertez, the organizer, was out there.

Mr. KENNEDY. So you went out to fight the Communists?

Mr. KATZ. That is correct.

Mr. KENNEDY. And you put a picket line around the place?

Mr. KATZ. After not hearing——

Mr. KENNEDY. Were there any employees working there, actually making mattresses at the time you went out there?

Mr. KATZ. When we got talking to people, they would never tell us what they were going to make. We heard so many different stories.

Mr. KENNEDY. Were there any employees actually working there, producing whatever they were going to make at that time?

Mr. KATZ. They were not in production as yet, but they had hired employees.

Mr. KENNEDY. And you put the pickets out there before they went into production?

Mr. KATZ. That is right.

Mr. KENNEDY. And it wouldn't be possible for any employees to indicate that they wanted to join your union? There were no employees, even there?

Mr. KATZ. We decided with this outfit, because of its notorious record, that we would give them the economic business.

Mr. KENNEDY. The economic business?

Mr. KATZ. That is right. Before they would get a chance to spread their disease, we would stop it, like a cancer.

Mr. KENNEDY. So you went out to stop them. And you put a picket line around them?

Mr. KATZ. That is right.

Mr. KENNEDY. What happened then?

Mr. KATZ. When we placed the picket line on there at that time, we had the upholsterers' picket line, and several pickets appeared from local 12 of the teamsters union. I asked, "What are you fellows doing here?" They said they are instructed to come out and help us. I thought that 853 was in this. "I want no business with 'Back Door' Dillon. He is your boss. Take a hike."

Mr. KENNEDY. You said that to them?

Mr. KATZ. That is right. They went back to the headquarters of the teamsters union, and John Sweeney came out to see me, and he said, "Well, Mike, we want local 12 built up. You know local 12 was set up against Commissar Bridges." I said, "I know all about that, a year ago."

I wanted to repudiate them. The spots on the leopard don't change, and they worked for Bridges, and he is a commie.

He said, "Well, Mike, for Christ's sake, we got Bridges on the run."

I said, "What run?" I said, "What run? He is getting stronger every day."

He said, "Well, Mike, the best thing is, we get this thing working and see what is doing."

I said, "Well, we haven't heard from the company yet. We will stand by here and until such time your pickets coordinate with our pickets."

Mr. KENNEDY. Dillon, although he had been with Bridges' union, broke with Bridges in 1946 over this very question, had he not, on the question of communism?

Mr. KATZ. That is the biggest joke perpetrated upon the public. They take absolution, the Communists, as usual, and then divide and conquer. He did a good job in the last few years. He is almost on top. I gave warning to the teamsters, beware of this man. He took absolution. He got a fine absolution, a \$50,000 home, he is the secretary of 4 organizations, collecting revenue from 4 unions, but nobody talks about that. He took absolution, he is one of us now. The people around San Francisco didn't like my talk.

They said, "Mike, you are one of us."

I said, "What do you mean 'one of us'?"

The same guy who chopped my head down sent out goons to beat me up, and I in turn retaliated, shall we say, to defend myself, and have now accepted. Why? To get Bridges? We got Bryson, didn't we? We will get him, too. And any stooge of Bridges is still a stooge. Nobody can tell me that the flag he puts around him of the teamsters' banner is ever going to sell me that he is not a Communist.

Mr. KENNEDY. So what did you do then, after you told all of this to John Sweeney?

Mr. KATZ. After 6 weeks on the line——

Mr. KENNEDY. Did the teamsters stay on the line?

Mr. KATZ. They were with me out there.

Mr. KENNEDY. Was that against your will?

Mr. KATZ. No; not against my will. After we were waiting for the thing to be discussed by the local powers to be, the Joint Council of Teamsters——

Mr. KENNEDY. So you both had pickets out there. Then what happened?

Mr. KATZ. Then I received a call at my office. At that time I was engaged at the American Federation of Government Employees Union, and the garment workers in Los Angeles, chasing the Communists down the street, so when I came back to my office, a call came from "Back Door" Dillon, and he said he wanted to see me. He came to my office and he said that he was instructed by the powers that be that he was going to talk to the company. I said:

"Look, Dillon, you and I are never going to speak the same language, so the best thing is to have your powers call me or meet me." And he left.

When I met the powers to be——

Mr. KENNEDY. Who were the powers to be?

Mr. KATZ. The different representatives, who had been also fooled by Dillon.

Mr. KENNEDY. Who were the powers to be?

Mr. KATZ. I don't want to mention their names.

Mr. KENNEDY. What do you mean? They are powers to be of the company or powers to be of the union?

Mr. KATZ. In the union.

Mr. KENNEDY. Of the union?

Mr. KATZ. Of the teamsters' union.

Mr. KENNEDY. Had you met Mr. Nathan Shefferman by that time?

Mr. KATZ. No, sir.

Mr. KENNEDY. Had you talked to him?

Mr. KATZ. I never spoke to the man.

Mr. KENNEDY. So you spoke to some powers to be of the union?

Mr. KATZ. That is correct.

Mr. KENNEDY. What did they say to you?

Mr. KATZ. They said, "Look; this plant isn't what it is supposed to be. They are supposed to be 300 people. The organization you are assisting will get, say, 200 people from production and the rest would go to the warehouse and the teamsters. We checked this company out that their operation would maybe not be more than 80 to 100 people, and we are telling you now that as far as we are concerned, there is no use in beating around the bush. We would like to have this plant before the Communists take it."

Mr. KENNEDY. So you were worried about Communists again?

Mr. KATZ. That is right.

Mr. KENNEDY. So the powers to be told you what? What did you do?

Mr. KATZ. That they would keep the fight going, and they would try to organize the plant, because I was engaged at that time on 2 drives, 1 drive in Los Angeles, with the garment workers, and the other drive in all parts of the Military Sea Transportation workers. I was very heavily engaged.

Mr. KENNEDY. What did you do?

Mr. KATZ. I just withdrew.

Mr. KENNEDY. You withdrew your pickets?

Mr. KATZ. Myself. I told the organization, the upholsterers' union, that there was no use in spending money out there any further, that any money that was expended, should the teamsters mean well, which they said they would, any partial expenses they had would be given back to them.

Mr. KENNEDY. So you had a conversation with somebody and they suggested you withdraw your pickets after you had been out there all this period of time, and you decided to do it; is that right?

Mr. KATZ. That is correct.

Mr. KENNEDY. Who were these people that you talked to that told you to do this?

Mr. KATZ. Well, John Sweeney was, for one.

Mr. KENNEDY. John Sweeney is dead now?

Mr. KATZ. John Sweeney?

Mr. KENNEDY. He is dead now?

Mr. KATZ. Yes; he is dead.

Mr. KENNEDY. Who else?

Did you talk to Shelton Shefferman at all?

Mr. KATZ. No.

Mr. KENNEDY. Did you talk to anybody from Labor Relations Associates?

Mr. KATZ. Never.

Mr. KENNEDY. Shelton Shefferman did not come to see you?

Mr. KATZ. No.

Mr. KENNEDY. Are you sure of that?

Mr. KATZ. Positive.

Mr. KENNEDY. Did you talk to anybody having any connection with the Sheffermans, Mr. Katz?

Mr. KATZ. No. Not that I remember.

Mr. KENNEDY. Did you talk to anybody having any connection with Labor Relations Associates?

Mr. KATZ. No, sir.

Mr. KENNEDY. And you don't think that Mr. Shelton Shefferman talked to you on the phone and then came to see you?

Mr. KATZ. I don't recall any phone conversation. I don't remember speaking to any stooge of an employer.

Mr. KENNEDY. Is Shelton Shefferman a stooge of an employer?

Mr. KATZ. After hearing all of these hearings, I am definitely convinced. A good stooge.

Mr. KENNEDY. All right.

Who else talked to you about backing down?

Mr. KATZ. Backing down in the area there?

Mr. KENNEDY. Yes.

Mr. KATZ. The poor fellows are on the spot now. With the changing of powers they will probably be bounced out of a long length of service. One of the top officials in the area at the time there, and I think he may be retired—and I refuse to answer that at the present time.

The CHAIRMAN. You are ordered and directed to answer the question. Who was the other man who spoke to you about pulling out?

Mr. KATZ. It was Mr. Comboy, Bill Comboy.

The CHAIRMAN. Thank you very much.

Mr. KENNEDY. What was Bill Comboy's position?

Mr. KATZ. He was international representative at that time.

Mr. KENNEDY. Of what?

Mr. KATZ. Of the teamsters union.

Mr. KENNEDY. And he spoke to you about pulling out?

Mr. KATZ. Yes. He said that there is no use of carrying this fight on together. "You fellows are running short of money. You can't

keep this thing going. We believe that this thing can come to pass in time and we can square it away and get a contract from this company."

Mr. KENNEDY. He said what to you, again?

Mr. KATZ. What?

Mr. KENNEDY. What did he say?

Mr. KATZ. He said he believed because this thing has been all the way out, and we had hoped as soon as the employees came into the plant that we could continue this campaign, and I vigorously told Bill that I resent "Back Door" Dillon being involved here, because I know he would sell them out as he did in the past.

He said, "Well, it isn't up to him any more." He was instructed that that was the beef, and he was going to break the line.

After talking to John Sweeney—I am sorry that he is not here today—John Sweeney says, "Well, Mike, you got these drives going on here. This misfit outfit will come to life and we will square it away." But there had been so much maneuvering at that time there—

Mr. KENNEDY. What kind of maneuvering was taking place?

Mr. KATZ. They told me, you know, "Mike, things are changing up here."

I said, "I haven't changed. Any time you have trouble, you send for me."

Mr. KENNEDY. Were you approached by anybody else to take your pickets off?

Mr. KATZ. I never removed my pickets.

Mr. KENNEDY. You removed them this time.

Mr. KATZ. I did not remove my pickets.

Mr. KENNEDY. You didn't take the pickets off?

Mr. KATZ. I didn't take the pickets off.

Mr. KENNEDY. Who took the pickets off?

Mr. KATZ. The pickets left. They didn't get paid any further, so they left.

Mr. KENNEDY. Isn't that, in fact, taking your pickets off, when you are not paying them any longer?

Mr. KATZ. No. I had told the boys—we hire them from the labor temple from time to time.

Mr. KENNEDY. You stopped hiring pickets?

Mr. KATZ. I had said that we hadn't had the funds to go on in this thing. I had no explanation to make.

Yes, sir?

The CHAIRMAN. Do you know a better way to get pickets to quit, or anybody else to quit, than to stop their pay?

Mr. KATZ. Let me say this, Senator, that we had no people available, and the people that were unemployed were the people we used. We took them out of the labor council.

The CHAIRMAN. Well, the pickets were called off.

Mr. KENNEDY. Did anybody else speak to you about taking the pickets off?

Mr. KATZ. Nobody would ever dare speak to me about taking pickets off.

Mr. KENNEDY. Your testimony here, compared to the interview with the investigators, is incredible. You said you had been ap-

proached many, many times to take your pickets off. Now you say nobody would dare approach you.

Mr. KATZ. They wouldn't dare approach me. They know my feelings.

Mr. KENNEDY. Certainly, Comboy and Sweeney, according to your testimony, suggested you take your pickets off.

Mr. KATZ. I told them, as long as "Back Door" Dillon was there, I would not take the pickets off.

Mr. KENNEDY. Well, you stopped paying your pickets.

Mr. KATZ. We had no funds to go on. That is why.

Mr. KENNEDY. Then your drive did not continue any longer, and the teamsters organized that plant?

Mr. KATZ. So I hear.

Mr. KENNEDY. Did you ever meet Mr. Shefferman?

Mr. KATZ. At a later date, in Chicago.

Mr. KENNEDY. When did you meet Mr. Shefferman?

Mr. KATZ. I met Mr. Shefferman in Chicago in 19—the end of 1952 or 1953, I think it is. I just had received the job, as I said, to go to Chicago to fight the packinghouse Communist squads there at Wilson. They were trying to organize the plant.

Mr. KENNEDY. In Chicago?

Mr. KATZ. That is right; Chicago, Ill.

Mr. KENNEDY. Somebody brought you to Chicago to fight the Communists?

Mr. KATZ. Yes. The butcher workmen's union.

Mr. KENNEDY. Who brought you there?

Mr. KATZ. Mr. Pat Gorman.

Mr. KENNEDY. He asked you to come to Chicago and fight the Communists?

Mr. KATZ. That is right. Which is my specialty.

Mr. KENNEDY. So you went there and saw Mr. Shefferman?

Mr. KATZ. I did not see Shefferman then.

Mr. KENNEDY. What did you do?

Mr. KATZ. Months later, while I was in Chicago, I think it was at a hotel there, I saw him. I was sitting with some people there. A guy says, "You know Mike Katz?" He said, "Oh, sure; I know him. He is a son-of-a-bitch. I am sorry."

The CHAIRMAN. Well, listen. You are on the air, I think. Is this on the air?

You better have a little more respect. You can use language that will convey your thoughts without such language as that. I would suggest you be just a little calmer and pay attention to the questions and answer them calmly.

Mr. KATZ. I am trying my best, Mr. Chairman.

The CHAIRMAN. Proceed.

Mr. KENNEDY. So, you came to Chicago to fight the Communists for the butchers?

Mr. KATZ. That is correct.

Mr. KENNEDY. Did you see Mr. Shefferman at that time?

Mr. KATZ. Not at that time.

Mr. KENNEDY. You did not. When did you see Mr. Shefferman?

Mr. KATZ. It was months later, as I said before.

Mr. KENNEDY. Under what circumstances?

Mr. KATZ. Somebody was sitting there, and he said, "Do you know so-and-so"——

Mr. KENNEDY. Know who?

Mr. KATZ. Some fellow there from another labor union.

Mr. KENNEDY. Said what?

Mr. KATZ. He said, "I want you to meet Nat Shefferman." I looked at the man, a fine looking fellow. He says, "His name is Mike." And he says, "That is the character out on the coast. Nobody can talk to him. He is crazy." He said, "Sit down." Nathan Shefferman said that to this fellow about me.

Mr. KENNEDY. Said you were crazy?

Mr. KATZ. That is right. Maybe I am, being in the business as long as I have been.

Mr. KENNEDY. So you met Mr. Shefferman then?

Mr. KATZ. That is right. We kicked it around there, and that is about all.

Mr. KENNEDY. Then did you see Mr. Shefferman again?

Mr. KATZ. After I finished my drive——

Mr. KENNEDY. When was this, approximately, the first time you saw Mr. Shefferman?

Mr. KATZ. I don't know the exact date. I had just come back from my stroke.

Mr. KENNEDY. Was it February, March, April?

Mr. KATZ. I was so busy engaged in that beef out there at the stockyards. We had the same trouble. We had our officers bound by the Commies.

Mr. KENNEDY. Did you go to Mr. Shefferman's office?

Mr. KATZ. At no time.

Mr. KENNEDY. You never did?

Mr. KATZ. Until I left the butcher workers union.

Mr. KENNEDY. When was that?

Mr. KATZ. I left them, I think, in January, when the election was over.

Mr. KENNEDY. January of 1953?

Mr. KATZ. Something like that. I don't know the exact date. I was going down to Florida, to my sister's.

Mr. KENNEDY. Why did you go to Mr. Shefferman's office?

Mr. KATZ. He called up the office and said he would like to see me.

Mr. KENNEDY. So you went there?

Mr. KATZ. I did; my job had been finished with the butcher workmen.

Mr. KENNEDY. What did he want you to do?

Mr. KATZ. He discussed with me. He said, "You have a great knowledge of Communists, and I always need specialists." I said, "My type of work you don't need. You represent business, I represent labor, at times, when I am called." He kept on talking about do I know this Commie of New York and that Commie of New York. And I said, "Sure, I know Perlo, I know all of the old worker Communists of the old days, I knew Lustick, and all the rest of the Commies that are still in this country that have not been deported." He said, "Well, you are going to Florida, I understand. We didn't know you were paralyzed when you came to Chicago." I said, "I didn't have to tell anybody. I was strictly on a campaign, the strictly desk work,

until such time as the crisis broke." I told him I was going down to Florida, I had a bad cold, and I was going to dry out down there.

Mr. KENNEDY. You were going to do what?

Mr. KATZ. Dry out. I had not been acclimated to the climate in Chicago. Then he discussed the subject. "You are a Commie fighter, Mike," he says, "and we are having a battle." I said, "If they are having a battle, I hope it is a good one."

Mr. KENNEDY. Down where?

Mr. KATZ. In New York.

Mr. KENNEDY. So what happened?

Mr. KATZ. Well, he says, "You are going down to Florida," he says, "could we use your services?"

I said, "What services can I give you?"

Mr. KENNEDY. You said to him?

Mr. KATZ. Yes. He said, well, he tried to smooth me up by saying, "Well, you are a Commie specialist." All of a sudden I got a title I never got paid for. I said, "What do you want exactly, Mister?" He said, "Well, you go down there and check out the Commies, and you have done it voluntarily, I understand, and everybody talks about you." I said, "Everybody talks about me? I know nothing." He said, "You must know some of the Commies. We believe that some of the west coast Commies are down there, instigating down there."

I don't know if they had trouble with the company or what was going on. He had said to me, "Maybe you can identify some of these west coast Commies." I said, "I have connections with people in New York who have been volunteers before, and I think we can look over the thing, but"—

Mr. KENNEDY. What company is this he is talking about that he was having trouble with the Commies?

Mr. KATZ. Out in Brooklyn. I forget the name of the plant. It was Englander.

Mr. KENNEDY. Englander, the same one down in California?

Mr. KATZ. I didn't know it was Englander until I came there.

Mr. KENNEDY. So he said the Englander case again?

Mr. KATZ. Then I told him, "I am through."

Mr. KENNEDY. You said you wouldn't go?

Mr. KATZ. I was in New York at the time then.

Mr. KENNEDY. You were in New York?

Mr. KATZ. I was in New York.

Mr. KENNEDY. I thought you were in Chicago.

Mr. KATZ. I had finished Chicago, I had told you.

Mr. KENNEDY. And then you were going to Florida?

Mr. KATZ. That is right, until I spoke with Mr. Shefferman.

Mr. KENNEDY. He suggested that you go to New York?

Mr. KATZ. That is right.

Mr. KENNEDY. So you accepted?

Mr. KATZ. Yes.

Mr. KENNEDY. Decided to go to New York?

Mr. KATZ. That is right.

Mr. KENNEDY. What were you going to do in New York?

Mr. KATZ. Check out the west coast companies, see if there were any Commies.

Mr. KENNEDY. Look over the city?

Mr. KATZ. Look over the plant, as usual. When I saw it was the Englander plant, I stopped.

Mr. KENNEDY. Why? You stopped?

Mr. KATZ. That is right.

Mr. KENNEDY. Did you go out to the plant?

Mr. KATZ. I did.

Mr. KENNEDY. Where is the plant?

Mr. KATZ. I don't know exactly.

Mr. KENNEDY. Whereabouts? You got to New York and where did you go?

Mr. KATZ. Things moved so swiftly and I had been ill so many times I don't know.

Mr. KENNEDY. You must know where the plant was. Where did you go? How does the plant look? Describe the plant.

Mr. KATZ. I don't remember exactly.

Mr. KENNEDY. Whereabouts is it in New York?

Mr. KATZ. In Brooklyn.

Mr. KENNEDY. Whereabouts in Brooklyn?

Mr. KATZ. I don't know, I told you.

Mr. KENNEDY. You must know. You went to the plant, did you not?

Mr. KATZ. I did not go into any plant.

Mr. KENNEDY. You can remember everything else, Mr. Katz.

Mr. KATZ. I can remember the things that are facts and the things I don't remember are not facts and I have nothing to do with that.

Mr. KENNEDY. You were in the Englander plant—I agree with you.

The CHAIRMAN. Let us stick to the facts.

Mr. KATZ. Shall we go on?

Mr. KENNEDY. Yes. Did you go out to the plant then?

Mr. KATZ. That is right.

Mr. KENNEDY. You went out to it?

Mr. KATZ. That is right.

Mr. KENNEDY. To the Englander Co.?

Mr. KATZ. I think that was the plant.

Mr. KENNEDY. And you arrived there and what did you do?

Mr. KATZ. I looked around and I went with my associates, and I said, "This thing stinks."

Mr. KENNEDY. Who were your associates?

Mr. KATZ. Some of the volunteers in New York.

Mr. KENNEDY. The volunteers of what?

Mr. KATZ. Men who knew Communists and have talked before the McCarthy committee.

Mr. KENNEDY. What do you mean, a volunteer or any Communist fighter?

Mr. KATZ. In every city, Mr. Counsel, you may not know, but the Communists are alive, very much alive with their cells.

Mr. KENNEDY. You have a volunteer?

Mr. KATZ. I have been away for so many years from the east coast that I did not know what goes, and they put me up to date.

Mr. KENNEDY. I thought he brought you all of the way from Chicago to pick these people out.

Mr. KATZ. After I discussed with the fellows what goes—

Mr. KENNEDY. What do you mean, "what goes"?

Mr. KATZ. What goes in the area with reference to what is going on in the district. "What goes" means what is transpiring with the unions there.

I found out that this union was moving in for economic fights against the employer. After we discussed it, I called Mr. Shefferman and told him, "I want no part of it."

Mr. KENNEDY. When did you find it was the Englander Co.?

Mr. KATZ. What?

Mr. KENNEDY. When did you find out it was the Englander Co.?

Mr. KATZ. When I came out there.

Mr. KENNEDY. You mean out to the plant?

Mr. KATZ. I am trying to think of that date. It is so many years.

Mr. KENNEDY. You do not remember?

Mr. KATZ. I mean where it was, I don't.

Mr. KENNEDY. When did you find out it was the Englander Co.?

Mr. KATZ. After I spoke to these boys around there.

Mr. KENNEDY. Didn't the people hiring you—didn't Mr. Shefferman tell you where you were supposed to go?

Mr. KATZ. I spoke to him over the telephone.

Mr. KENNEDY. Didn't he tell you where you were to go to find the Communists?

Mr. KATZ. When I came out there, I woke up.

Mr. KENNEDY. When you woke up, didn't he tell you then?

Mr. KATZ. That is the time I called him up and told him I wanted no part of it.

Mr. KENNEDY. Did you ever go out to the plant?

Mr. KATZ. Again, no.

Mr. KENNEDY. Did you go once?

Mr. KATZ. I was there two times.

Mr. KENNEDY. You were there two times?

Mr. KATZ. Yes, sir.

Mr. KENNEDY. I thought you didn't find it. Once you found out it was the Englander Co., you said you would not have anything to do with it?

Mr. KATZ. I wanted to see the activity.

Mr. KENNEDY. What sort of activity?

Mr. KATZ. That was taking place outside the plant.

Mr. KENNEDY. What did you do when you got out to the plant?

Mr. KATZ. Just observed.

Mr. KENNEDY. Just stood outside the plant?

Mr. KATZ. That is right.

Mr. KENNEDY. How much money did you receive for standing outside the plant?

Mr. KATZ. I billed Mr. Shefferman not enough, \$3,000.

Mr. KENNEDY. For standing outside the plant?

Mr. KATZ. For observing and checking it out.

Mr. KENNEDY. Here are the checks, Mr. Chairman.

The CHAIRMAN. The Chair presents to you a photostatic copy of a check dated April 4, 1953, made payable to you, drawn on Labor Relations Associates' account by Shelton Shefferman, in the amount of \$2,300.

I ask you to examine that check and state if you identify it as a photostatic copy of the check you received.

(A document was handed to the witness.)

Mr. KATZ. That is correct.

The CHAIRMAN. Your signature is on the back of it, is it?

Mr. KATZ. That is right.

The CHAIRMAN. That may be made exhibit No. 33.

(The document referred to was marked "Exhibit No. 33" for reference and will be found in the appendix on p. 6573.)

The CHAIRMAN. I now present to you another check, the original, dated the same date, April 4, 1953, drawn on the account of Labor Relations Associates, by Shelton Shefferman, made payable to Western Union. I ask you to examine that check and see if you know who got the proceeds of it.

(A document was handed to the witness.)

Mr. KATZ. I received that, too. I said that a minute ago.

The CHAIRMAN. Was that money wired to you by Western Union?

Mr. KATZ. It was wired to me and the check was sent special delivery, airmail, because I told them I was going to Florida and I received it at the Picadilly Hotel and I went to Florida and I deposited it in a Florida bank.

The CHAIRMAN. That may be made exhibit No. 34.

(The document referred to was marked "Exhibit No. 34" for reference and will be found in the appendix on p. 6574.)

Mr. KENNEDY. You were staying at the Picadilly Hotel?

Mr. KATZ. That is right.

Mr. KENNEDY. How long were you there?

Mr. KATZ. Two days.

Mr. KENNEDY. You went out to the plant how many times?

Mr. KATZ. I went out to the plant twice but my associates had been out there checking out the plant for weeks.

The CHAIRMAN. Let us get the facts. You mean to tell the committee you got this money for standing outside of a plant for 2 days? Is that the pay you got for standing outside of a plant for 2 days?

Mr. KATZ. I received that money.

The CHAIRMAN. That does not answer my question. You already said you received the money.

Mr. KATZ. I got paid for my consultation and that is what I asked and that is what I got paid.

The CHAIRMAN. For the one consultation in Shefferman's office?

Mr. KATZ. I beg pardon?

The CHAIRMAN. You had one consultation with Shefferman in his office; is that right?

Mr. KATZ. That is right.

The CHAIRMAN. And then you spent 2 days outside of a plant looking it over?

Mr. KATZ. That is right, and checking it out with my associates.

The CHAIRMAN. With your associates?

Mr. KATZ. Yes, sir.

The CHAIRMAN. And then you immediately called him and told him you did not want to have anything more to do with it?

Mr. KATZ. I wanted this and he screamed and he hollered about the money.

The CHAIRMAN. For that very arduous service?

Mr. KATZ. That is correct.

Mr. KENNEDY. What did you do when you were standing outside the plant, Mr. Katz?

Mr. KATZ. Just observing the activities around the plant, at quitting time.

Mr. KENNEDY. What sort of things would you do?

Mr. KATZ. Just observe the activities, people coming in and going out. You can't check a guy out if you are not in the plant.

Mr. KENNEDY. What were you looking for?

Mr. KATZ. I was looking for some familiar faces, maybe some friendly faces from the coast.

Mr. KENNEDY. Some Communists from the west coast?

Mr. KATZ. That is right.

Mr. KENNEDY. You came outside the plant for 2 days at quitting time to see if you could see somebody?

Mr. KATZ. In the morning and quitting time.

Mr. KENNEDY. Twice a day?

Mr. KATZ. That is right.

Mr. KENNEDY. You were just out there 1 day?

Mr. KATZ. Twice.

Mr. KENNEDY. You came out there 1 day, in the morning and at quitting time, to observe and see if you could find any Communists from the west coast, and you were paid \$2,800 for doing that?

Mr. KATZ. That was still cheap, after I had the hearings here.

Mr. KENNEDY. \$2,800 for that?

Mr. KATZ. Yes, sir.

Mr. KENNEDY. And Shefferman was reimbursed by the Englander Co. for that payment to you?

Mr. KATZ. That I don't know, whoever reimbursed him, and I don't know anything. All I know is that he asked what was coming to me and we had a big time screaming about it and I told him that is what I want.

Mr. KENNEDY. Have you ever done any other work like that?

Mr. KATZ. No, sir.

Mr. KENNEDY. That is the only time?

Mr. KATZ. That is correct.

Mr. KENNEDY. Did you feel that you did pretty well that time, making \$2,800 for that day's pay?

Mr. KATZ. I was pretty sick at the time there and I was on my way to Florida to get well.

Mr. KENNEDY. Did you have anything more to do with Mr. Shefferman?

Mr. KATZ. No; I never saw him again.

Mr. KENNEDY. Did you ever talk to him?

Mr. KATZ. I don't recollect. I was in the hospital in Florida for a long time.

Mr. KENNEDY. You were sick again?

Mr. KATZ. That is correct, Mr. Counsel.

Mr. KENNEDY. Did you talk to him at all?

Mr. KATZ. I don't remember talking to anybody.

Mr. KENNEDY. Was he pleased with the work that you did?

Mr. KATZ. He was displeased with the bill I sent him.

Mr. KENNEDY. Did you find any Communists from the west coast?

Mr. KATZ. You have the wrong coast now, and you mean the east coast.

Mr. KENNEDY. Did you find any Communists from the west coast coming out the plant or going into the plant?

Mr. KATZ. I did not.

Mr. KENNEDY. You did not find any?

Mr. KATZ. None that I could identify.

Mr. KENNEDY. Did you have a conversation with Mr. Shefferman again after that?

Mr. KATZ. I don't know. I think when I called him, he called me back and he said, "You are asking for a lot of money."

Mr. KENNEDY. After that, and this is 1953, did you talk to him again in 1954, 1955, and 1956?

Mr. KATZ. I don't remember.

Mr. KENNEDY. You do not remember?

Mr. KATZ. I have been sick.

Mr. KENNEDY. Did you try to go to work for him again?

Mr. KATZ. Not that I remember.

The CHAIRMAN. When was the last time that you were ill?

Mr. KATZ. I had sustained an injury on January 4 on a ship.

The CHAIRMAN. What year?

Mr. KATZ. 1957, this year.

The CHAIRMAN. This year of 1957?

Mr. KATZ. Yes.

The CHAIRMAN. What was the state of your health during 1956?

Mr. KATZ. I have been disabled.

The CHAIRMAN. In what respect?

Mr. KATZ. I had had 2 heart attacks and I had had thrombosis, cerebral palsy, and I had an affliction in 2 legs, and when I came out of Mount Sinai your investigators were looking for me.

The CHAIRMAN. Where were you in August of 1956?

Mr. KATZ. In August of 1956 I was up in Los Angeles.

The CHAIRMAN. Up in Los Angeles?

Mr. KATZ. That is right.

The CHAIRMAN. Did you visit San Francisco during that time?

Mr. KATZ. In August?

The CHAIRMAN. Yes.

Mr. KATZ. In 1956 I may have visited San Francisco.

The CHAIRMAN. I do not quite remember now, but this work you did for Mr. Shefferman was back in 1953, when you got your checks, and you got your money.

Mr. KATZ. That is right.

The CHAIRMAN. Have you ever worked for him any since that time?

Mr. KATZ. Never.

The CHAIRMAN. Have you tried to work for him since that time?

Mr. KATZ. No.

The CHAIRMAN. Have you sought employment with him since that time?

Mr. KATZ. I don't remember.

The CHAIRMAN. Have you had any communication with him since that time about being employed or seeking employment?

Mr. KATZ. I might have sent him a Christmas card from Florida.

The CHAIRMAN. A Christmas card?

Mr. KATZ. That is right.

The CHAIRMAN. From Florida?

Mr. KATZ. Yes, sir; on New Year's.

The CHAIRMAN. I present to you a telegram and suggest you identify it and then read it. Maybe it will refresh your memory.

(A document was handed to the witness.)

Mr. KATZ. Yes, I remember this telegram. I told him, "Happy New Year and what's cooking?"

The CHAIRMAN. Happy New Year in August?

Mr. KATZ. No, that is not in August, sir, that is New Year's. Doesn't it say "Christmas and New Year's"?

The CHAIRMAN. I will read the telegram for you. It is sent from San Francisco, Calif., August 7, 1956, 9:20 p. m.:

NATHAN SHEFFERMAN,
Care, Labor Relations Associates of Chicago, Inc.,
75 East Wacker Drive, Chicago:

As per our conversation I can be reached at 7440 Balboa Street, apartment 303, San Francisco, residence until September 20. Please telegraph if work is available any place at your service. A very happy New Year to you and your family.

MIKE KATZ.

That is the Jewish New Year?

Mr. KATZ. That is correct.

The CHAIRMAN. That is all right. It is perfectly all right for you to wish him a happy New Year, either Jewish New Year or Christian New Year—either one. I think it is quite proper that you wished him a happy New Year. All right, this telegram may be made exhibit No. 35.

(The document referred to was marked "Exhibit No. 35" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Did you ever meet Shelton Shefferman?

Mr. KATZ. I did.

Mr. KENNEDY. Where did you meet Shelton Shefferman?

Mr. KATZ. In the office with his father.

Mr. KENNEDY. That is the only time?

Mr. KATZ. I may have met him a few times on the street.

Mr. KENNEDY. Other than a few times you met him on the street, did you ever meet him in California?

Mr. KATZ. No.

Mr. KENNEDY. Did you ever talk to him in California?

Mr. KATZ. No.

Mr. KENNEDY. Did you ever meet him in an office other than in Mr. Nathan Shefferman's office, Labor Relations Associates?

Mr. KATZ. No, sir.

Mr. KENNEDY. Did you meet him in his office?

Mr. KATZ. Yes, sir.

Mr. KENNEDY. Was he sitting with you at this time?

Mr. KATZ. Was he sitting with me?

Mr. KENNEDY. Was he in the conference that you had with Nathan Shefferman?

Mr. KATZ. He was sitting down, naturally.

Mr. KENNEDY. He was there present at the conference?

Mr. KATZ. He was sitting there, as I remember, is all.

Mr. KENNEDY. Did you know Mr. Sidney Korshak?

Mr. KATZ. No.

Mr. KENNEDY. Did you ever meet him?

Mr. KATZ. Except what I read in the papers.

Mr. KENNEDY. You never met him?

Mr. KATZ. No, sir.

Mr. KENNEDY. You never talked to him?

Mr. KATZ. No, sir.

Mr. KENNEDY. Did you know that he had anything to do with the Englander case?

Mr. KATZ. No, until he read it in the Influence Peddlers, in the book.

Mr. KENNEDY. Beyond that you did not?

Mr. KATZ. It was there in the digest.

Mr. KENNEDY. You never talked to him?

Mr. KATZ. No, sir.

Mr. KENNEDY. And you have never met Sidney Korshak?

Mr. KATZ. I wouldn't know him if I saw him—if he came in front of me.

Mr. KENNEDY. Were you attempting to organize the Max Factor Co.?

Mr. KATZ. That is right.

Mr. KENNEDY. Did you ever talk to Sidney Korshak about the Max Factor Co.?

Mr. KATZ. No, sir.

Mr. KENNEDY. You never did?

Mr. KATZ. No, sir.

Mr. KENNEDY. When were you organizing the Max Factor Co.?

(At this point Senator McClellan withdrew from the hearing room.)

Mr. KATZ. I left the papers at the hotel. I had the exact dates and the NLRB petition. By the way, the last time I was here, I left some on the table and when I got back to California, when I was talking to some of your visitors, I left them on the table, and I can't find some of those papers.

Mr. KENNEDY. When were you trying to organize the Max Factor Co.?

Mr. KATZ. He was organizing Max Factor from August on, I think, 1956.

Mr. KENNEDY. August 1956?

Mr. KATZ. No, 1955. Let's stand corrected.

Mr. KENNEDY. 1956, I believe.

Mr. KATZ. That is right.

Mr. KENNEDY. What local were you with then?

Mr. KATZ. The Processing Fabricators.

Mr. KENNEDY. Local 802?

Mr. KATZ. Right.

Mr. KENNEDY. Did you form that local?

Mr. KATZ. No.

Mr. KENNEDY. It was in existence before?

Mr. KATZ. It was in existence before I came.

Mr. KENNEDY. What was your position in the local?

Mr. KATZ. As an organizer.

Mr. KENNEDY. You were working with Joe Roberts at that time?

Mr. KATZ. This is Los Angeles, Calif., we are talking about. I don't know why you mention the man's name.

Mr. KENNEDY. Where was the Max Factor Co. located?

Mr. KATZ. Up in Hollywood.

Mr. KENNEDY. What were they making? What do they manufacture?

Mr. KATZ. Making cosmetics with slave labor.

Mr. KENNEDY. Were you successful in your organization?

Mr. KATZ. Yes, sir.

Mr. KENNEDY. Did you organize them?

Mr. KATZ. We had the plant practically organized, but lo and behold, who comes on the picture but "Back Door" Dillon.

Mr. KENNEDY. And what happened then?

Mr. KATZ. And then the smoke started to fly. Before "Back Door" Dillon showed his kisser in Los Angeles, some of his organizers from the mighty Western Conference had come to my office and spoke to some of the boys there to get away from Max Factor, stay away from Max Factor, and the fellow there was just an office fellow. He said, "I know nothing about it, you better go see Mike Katz."

The fellow said, "Leave your name," and he left his name. His name was Seman, Bud Seman.

When I got the guy's name, I got into the car and hiked over to the Teamsters Temple to look for this character. When I came into the office, we sat down and he started to talk about "We had a deal cooking with the company, the top brass."

I said, "We have a campaign out here, we are playing music three times a day, we are staying here until this plant is organized. We have many meetings of these workers, we have cards signed. We have petitioned for an election."

Mr. KENNEDY. Who said they had a deal with the top brass?

Mr. KATZ. Mr. Seman.

Mr. KENNEDY. What is his position?

Mr. KATZ. He works under "Back Door" Dillon the warehousemen. This sounds very funny, but it is true.

Mr. KENNEDY. So then what did you say?

Mr. KATZ. I had told him, "Tell your boss we will not permit anyone to come into this plant," because we had discussed this matter with the local teamsters, and they had had several drives in the cosmetic field and they had given me a copy of the contracts that existed in the cosmetic field, and they didn't want any part of it. The next thing I knew this Mr. Seman was throwing his weight around, until I started to straighten him out.

Mr. KENNEDY. You straightened him out, did you?

Mr. KATZ. He called. He said his boss would be up from San Francisco to talk to me. Well, he came back, "Back Door" Dillon, to Los Angeles.

Mr. KENNEDY. Who came?

Mr. KATZ. "Back Door" Dillon.

Mr. KENNEDY. Did you have a meeting with him?

Mr. KATZ. I met with him.

Mr. KENNEDY. What did you decide to do?

Mr. KATZ. He said, "Let's forget about the past, this, that, and the other, and you know we are trying to organize all of these plants."

I had told him that we had these workers organized. I didn't like the tactics of Mr. Seman on one of our organizers, and nobody is going to push us around in Los Angeles.

He said, Well, as far as he is concerned, he would take it up with his superiors. I don't know what he means by the word "superiors,"

Bridges or someone else. I did not see him for several weeks. We kept our campaigning, we kept our meetings going. At the plant we had a fine committee. We had a fine——

Mr. KENNEDY. Did you ultimately organize them?

Mr. KATZ. We will come to that very closely. We organized them, 95 percent, and we were prepared to go into the election, when lo and behold, the NLRB notifies me to appear. I came there to the hearing and I found—his name was Anderson, I think, representing the Los Angeles group of "Back Door" Dillon's outfit, and he said that he was going to intervene in the election.

The Examiner, Bill Kolanski, has said they had the right to intervene, they got a few names. We left the NLRB and we went down the stairs and we went in for a sandwich and he started to tell me. I said, "Weren't you told by 'Back Door' that you were going to pull out and stay away from this deal, that there would be no funny business here, that we were going to take this plant in the proper manner and liberate these people?"

He said he had received no instructions.

Well, as time went on, I heard no word.

(At this point Senator McClellan returned to the hearing room.)

Mr. KENNEDY. Will you just get to the point? What happened?

Mr. KATZ. What happened?

Mr. KENNEDY. Did you organize them?

Mr. KATZ. We had them organized until the election.

Mr. KENNEDY. Then what happened?

Mr. KATZ. When the election was held, the teamsters were on the ballot, we were on the ballot, and no union.

Prior to the election being held, the teamsters were permitted to go into the plant, with the connivance of the employer, and meetings were held to expose me as a racketeer and gangster, what a man of this type would do to lead you.

Mr. KENNEDY. They were saying that about you?

Mr. KATZ. That is right.

Mr. KENNEDY. Being a racketeer and a gangster?

Mr. KATZ. That is right, wanted by the FBI, et cetera, while I was outside the plant for 6 months. The committee resented that, and we met that night. Two days before the election. We called a meeting. Affidavits were signed by the workers stating that they were called into the office by the management and told that they are too cooperative. The fellow's name was Cecil Caro. His name is on the election ballot, C-a-r-o. I am sorry, but I have all the papers at the hotel.

This started in the plant 2 days prior to the election. We had met with the company prior to that before the Labor Council to discuss what was going on.

Mr. KENNEDY. What happened, Mr. Katz?

Mr. KATZ. So we had an election, and the workers voted no union.

Mr. KENNEDY. Now, you say that you never talked to Mr. Korshak at all about this matter?

Mr. KATZ. No.

Mr. KENNEDY. You never did?

Mr. KATZ. No.

Mr. KENNEDY. You never knew he had anything to do with it?

Mr. KATZ. No.

Mr. KENNEDY. What was your telephone number in San Francisco at that time?

Mr. KATZ. I had so many telephone numbers. I moved so many places.

Mr. KENNEDY. Well, in October of 1956, what was your telephone number?

Mr. KATZ. Was I in the hospital then? I don't remember.

Mr. KENNEDY. Did you ever have the telephone number Tuxedo 5-6028?

Mr. KATZ. I don't remember.

Mr. KENNEDY. You don't remember that?

Mr. KATZ. No.

Mr. KENNEDY. In October 1956?

Mr. KATZ. No.

Mr. KENNEDY. You don't remember Mr. Korshak calling you on October 25, 1956?

Mr. KATZ. Nobody ever called me.

Mr. KENNEDY. They did not?

Mr. KATZ. No.

Mr. KENNEDY. He didn't talk to you about this matter?

Mr. KATZ. No.

Senator McNAMARA. I would like to ask a question.

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. Early in your story, you worked in a shipyard?

Mr. KATZ. Yes.

Senator McNAMARA. What was the name of the yard?

Mr. KATZ. I worked for the Kaiser shipyards, the Bethlehem shipyards.

Senator McNAMARA. Both located in——

Mr. KATZ. Oakland and San Francisco.

Senator McNAMARA. Oakland and San Francisco?

Mr. KATZ. That is right.

Senator McNAMARA. When you worked as a steamfitter, did you belong to the union?

Mr. KATZ. Yes.

Senator McNAMARA. What union?

Mr. KATZ. Steamfitters Union, local 580.

Senator McNAMARA. When you were employed by the labor council, what do you mean by labor council?

Mr. KATZ. The central labor council is a council consisting of all the unions in San Francisco. I worked under the direction of John O'Connell, who was the secretary.

Senator McNAMARA. He was the secretary-treasurer of the central body where?

Mr. KATZ. San Francisco.

Senator McNAMARA. Did he pay you a set salary, or did you get paid for what you did?

Mr. KATZ. I got paid a set salary like other organizers did. They paid our car insurance.

Senator McNAMARA. About this time you mentioned that somebody took absolution. Who was that? I didn't get the name.

Mr. KATZ. His given name is Joseph M. Dillon.

Senator McNAMARA. Dillon. He was the witness we had on here yesterday?

Mr. KATZ. That is correct, sir.

Senator McNAMARA. Who gave him absolution?

Mr. KATZ. The teamsters union.

Senator McNAMARA. The teamsters.

Mr. KATZ. Yes.

Senator McNAMARA. When you were in New York, did you find any west-coast Commies?

Mr. KATZ. No; unless they had mustaches on. I didn't recognize them.

Senator McNAMARA. You didn't find any. So Shefferman got nothing for the \$2,800 that he paid you? You didn't give him reports on Commies or anything in New York?

Mr. KATZ. "There was nothing there," I said, "and as far as this thing, I don't want any part of it."

He was very belligerent, and he kept on saying, "Do the job," and this and that. I said, "What are you talking about? You are fighting a trade union over here, and if they have Communists in their leadership, let their membership kick them out. I want no part because it stinks."

Senator McNAMARA. When you refer to your associates in New York, who are you referring to? The associates of Shefferman?

Mr. KATZ. No. Voluntary workers on the waterfront, who are very well acquainted with the activities of the Young Communist League, and the Communist Party.

Senator McNAMARA. Who are these volunteer workers?

Mr. KATZ. That, Mr. Senator, I respectfully cannot give their names. It may jeopardize them.

Senator McNAMARA. Do you consider this sort of a union, or what is its nature? What kind of an organization is it? A patriotic organization?

Mr. KATZ. We are all Americans, Mr. Senator. We choose our way of living and our way of life.

Senator McNAMARA. Dillon is not an American?

Mr. KATZ. I don't know. I don't want to make a statement, because you would say I am prejudiced.

Senator McNAMARA. I am sure you are not prejudiced.

Mr. KATZ. Thank you.

Senator McNAMARA. You say this was an organization of Americans?

Mr. KATZ. That is right.

Senator McNAMARA. What do you mean by Americans? Everybody is an American, practically.

Mr. KATZ. Right, Senator. But these men are employed in different occupations. We don't believe in the principles of communism. We don't want to be sold down the river by the party. We don't want to eat what they sell us, or do what they tell us to do. This thing has been going on in the city of New York for God knows how many years. There are many factions of the party. It would take me weeks to explain. We have no use for them. We don't want no part of them. We don't want them, in any condition, around. These

fellows who I have known for years on the waterfront and in factories, know the moves of every Commie. If they would come to the west coast and ask me, I would interchange and identify people to them. We interchange it.

Senator McNAMARA. This volunteer organization was not a Shefferman organization?

Mr. KATZ. Definitely not.

Senator McNAMARA. You say you and others were employed by them. When you say employed, do you mean they paid you?

Mr. KATZ. By who? I was paid.

Senator McNAMARA. You were paid by the volunteers?

Mr. KATZ. No. I was paid by Shefferman. Stand corrected.

Senator McNAMARA. At the time you were working with the volunteers?

Mr. KATZ. Yes.

Senator McNAMARA. But it wasn't a Shefferman organization?

Mr. KATZ. No.

Senator McNAMARA. Why did he pay you, then?

Mr. KATZ. He paid me for my ability.

Senator McNAMARA. And your ability developed the recognition of no Communists?

Mr. KATZ. At that time I could tell the man nothing but the truth.

Senator McNAMARA. I am sure——

Mr. KATZ. Definitely.

Senator McNAMARA. Then you weren't paid by the volunteers?

Mr. KATZ. No.

Senator McNAMARA. You were paid by Shefferman?

Mr. KATZ. That is correct.

Senator McNAMARA. And you were working with the volunteers, by his assignment?

Mr. KATZ. I checked out with the volunteers the assignments.

Senator McNAMARA. You were not paid by the volunteers, and at the time you were not paid by Shefferman?

Mr. KATZ. Are you talking about New York?

Senator McNAMARA. That is right.

Mr. KATZ. Shefferman paid me. He paid me.

Senator McNAMARA. He did pay you. Did he know you were working for the volunteers?

Mr. KATZ. No. He said "When you go on your own, you do as you please."

I told him, "There will be no strings attached to me how I operate. I operate in my own manner, and before I start out I am telling you now, I will give the score straight. I am not going to waste your time or waste my time, because I want to get down to Florida. I am sick."

Senator McNAMARA. Well, what is the score?

Mr. KATZ. The score as I told the council. I did not identify anybody.

Senator McNAMARA. You didn't see anybody you recognized?

Mr. KATZ. No. That is right.

Senator McNAMARA. You made no reports to Shefferman?

Mr. KATZ. I just gave him the report and told him what my bill was.

Senator McNAMARA. Did you write him a report?

Mr. KATZ. I don't write no reports. There was no necessity for it.

Senator McNAMARA. Do you belong to any union now?

Mr. KATZ. At the present time I don't belong to any place.

Senator McNAMARA. When you were trying to organize Max Factor, did you belong to a recognized union?

Mr. KATZ. An organizer, Mr. Senator, don't belong to any union. I have a withdrawal card from my organization, the steamfitters. Of course, I was out of the trade, working in the field as an organizer, so you pay out of the trade \$2 a month in order to protect my death benefits.

Senator McNAMARA. Were you a trained steamfitter? Had you served an apprenticeship?

Mr. KATZ. I used to do alteration plumbing back in New York years ago.

Senator McNAMARA. Were you a member of the plumbers union at that time?

Mr. KATZ. No. At that time the alteration plumbers had no recognition. We were an independent group.

Senator McNAMARA. Working in the building trades, or is it shipyard alteration?

Mr. KATZ. No; it is alteration of tenements, tubs, bathtubs.

Senator McNAMARA. You were not a member of the union at that time?

Mr. KATZ. There was no union at that time, except for a small group of 600 workers.

Senator McNAMARA. You had an organization that was not a recognized union in this maintenance or whatever field you call it?

Mr. KATZ. I didn't have no organization. I was strictly a plumber.

Senator McNAMARA. A nonunion plumber?

Mr. KATZ. A union plumber in our own group, like the electricians had an alliance and another one had an association. We were an unincorporated association.

Senator McNAMARA. It was an unaffiliated association?

Mr. KATZ. That is right. We paid no dues. We met every month and discussed the problems in the area and would like to affiliate with the UA. But the UA did not want to take alteration plumbers, fellows that did the repair work, and there was so much unemployment that we just worked where we could.

Senator McNAMARA. Did you have a large group in this association that paid no dues?

Mr. KATZ. I believe there was about six or seven hundred.

Senator McNAMARA. Six or seven hundred?

Mr. KATZ. Yes.

Senator McNAMARA. Did you have a license to do plumbing by the State of New York?

Mr. KATZ. We were not plumbers. I want to stand corrected.

Senator McNAMARA. You were not plumbers?

Mr. KATZ. We were not plumbers. On alteration plumbing, the one who has to fight up the final gas pipe and get checked out has to be licensed. We were the helpers to the plumbers—helpers' helpers' helpers—there is a first-class, second-class, and general helper.

Senator McNAMARA. What category were you?

Mr. KATZ. I reached the first class.

Senator McNAMARA. First-class helper.

Mr. KATZ. That is right.

Senator McNAMARA. The journeyman had to have a license?

Mr. KATZ. That is right.

Senator McNAMARA. Was the journeyman a member of the union?

Mr. KATZ. The journeymen at the time had licenses, and at that time there, as I can recall, there was quite a heavy battle between the building trades and other groups.

Senator McNAMARA. Is that the only union you ever belonged to? You were a dues-paying member of the United Association. Is that the only union you belonged to?

Mr. KATZ. I belonged to the union in California, and was a dues-paying member.

Senator McNAMARA. Do you have a withdrawal card from the machinists?

Mr. KATZ. Yes.

Senator McNAMARA. When you worked trying to organize Max Factor, you mentioned some other group. Who were they?

Mr. KATZ. The processors and fabricators.

Senator McNAMARA. Who are they affiliated with?

Mr. KATZ. The A. F. of L.

Senator McNAMARA. Is that a division of the chemical workers' union?

Mr. KATZ. What?

Senator McNAMARA. Is that a division of the chemical workers' union?

Mr. KATZ. No.

Senator McNAMARA. They must have some affiliation with some international. Are they an independent international union? I mean, independent in that the A. F. of L. is an international union? Processing and what?

Mr. KATZ. Fabricating.

Senator McNAMARA. Is that an international union?

Mr. KATZ. It is a local union.

Senator McNAMARA. Were they affiliated internationally with some outfit.

Mr. KATZ. They were affiliated with some organization.

Senator McNAMARA. You don't know who they were affiliated with?

Mr. KATZ. A. F. of L. It has Federal locals, industrial locals.

Senator McNAMARA. This was a Federal charter?

Mr. KATZ. A Federal local.

Senator McNAMARA. Chartered directly from the A. F. of L., not through an international, is that the way you understand it?

Mr. KATZ. Yes.

Senator McNAMARA. I see. Thank you.

Senator GOLDWATER. I just have one question.

Mr. KATZ, you are not working?

Mr. KATZ. At present I am at liberty.

Senator GOLDWATER. If you were offered a job tomorrow by Mr. Shefferman, would you go to work for him?

Mr. KATZ. After these hearings and all the things that went on in the past that I heard; no.

Senator GOLDWATER. Would you go to work for a similar organization?

Mr. KATZ. No.

Senator GOLDWATER. Would you go to work for a union?

Mr. KATZ. Yes, sir.

Senator GOLDWATER. Are you essentially, then, a union man?

Mr. KATZ. That is right.

I gave skin all my life for the unions.

Senator GOLDWATER. And you still maintain your loyalty to the union movement?

Mr. KATZ. Definitely.

Senator GOLDWATER. That is all.

The CHAIRMAN. All right, Mr. Counsel.

Mr. KENNEDY. We will go on to another witness, but I would like to say, Mr. Chairman, that the record seems to indicate from Mr. Katz' testimony that in 1951 there was an attempt to organize the plant at Englander; that Mr. Katz sent some pickets out there even prior to the time that there were any employees at the plant; that subsequently, after some conversations with higher-ups, he withdrew the pickets; that the teamsters went ahead and organized the plant of Englander; that subsequently in 1953 when Mr. Katz was in Chicago, he was called up to Mr. Shefferman's office. He had a conference with Mr. Shefferman and our records show it was on January 8, 1953. The matter that was discussed, according to the records we have, was the Englander; that Mr. Katz then made arrangements to go to New York. He went to New York and according to his testimony it was to go to the plant and look at people coming in and out of the plant. He went there on one day, according to his testimony, and he cannot identify where the plant was, what it looked like. All he can say is that he stood outside the plant.

For this standing outside the plant in the morning and the afternoon he received \$2,800. He also stated that in the organization drive on the Max Factor Co., which was ultimately unsuccessful, that he never talked to Mr. Sidney Korshak regarding the matter. Specifically, he didn't talk to him in October 1956.

I would like at this time to call Mr. Sidney Korshak. Maybe Mr. Katz will be recalled.

The CHAIRMAN. You may stand aside for the present. I think you will be recalled.

(Committee members present at this point: Senators McClellan, Goldwater, and McNamara.)

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KORSHAK. I do.

TESTIMONY OF SIDNEY R. KORSHAK

The CHAIRMAN. State your name, your place of residence, and business or occupation.

Mr. KORSHAK. Sidney R. Korshak, K-o-r-s-h-a-k, 2970 Lake Shore Drive is my residence, in Chicago, Ill. 134 North La Salle Street is my office. I am an attorney. I have been practicing since 1930.

The CHAIRMAN. I assume you waive counsel?

Mr. KORSHAK. Yes.

The CHAIRMAN. Proceed.

Mr. KENNEDY. We will get right on the question of the Max Factor Co. Did you ever talk to Mr. Katz regarding an organizational drive in the Max Factor Co.?

Mr. KORSHAK. Mister who?

Mr. KENNEDY. Mr. Katz.

Mr. KORSHAK. In 1956, I believe I was in the Friars' Club in California. I received a telephone call from Mr. Katz. He met me in front of the place. He told me that he was organizing the company, and that he was having difficulty getting with management. He understood that one of the Factors was from Chicago. He asked if I would arrange a meeting with management.

Mr. KENNEDY. Which Factor was that?

Mr. KORSHAK. This was a Mr. John Factor. Mr. John Factor was in the club at this particular time. I asked Mr. Katz to wait. I walked in and told Mr. Factor what I had just learned from Mr. Katz. Mr. Factor said that the only one that he knew at the plant was a half-brother, and that he was in Europe at the time, so he couldn't or wouldn't talk to anyone else. I went out and communicated that to Mr. Katz.

Mr. KENNEDY. I am sorry, I will have to go back.

How did he learn about you in the first place?

Mr. KORSHAK. I would imagine that he called my office in Chicago.

Mr. KENNEDY. How did he know? Is it Jack Factor?

Mr. KORSHAK. Well, I tried to state that a minute ago, Mr. Kennedy. He presumed that because Mr. John Factor was from Chicago, that maybe I knew him. He didn't know that I knew him. He just thought that I might. He asked me to intercede, if I did know him.

Mr. KENNEDY. So what did you do? I am sorry to go over it.

Mr. KORSHAK. I went back into the club and I talked to Mr. Factor. I told him that there was a Mr. Katz who told me that he had organized the Max Factor Co. in Los Angeles.

Mr. KENNEDY. When you say you went back into the club, did you call Mr. Factor?

Mr. KORSHAK. No; he was in the club. Mr. Factor was in the club.

Mr. KENNEDY. Which Factor was in the club?

Mr. KORSHAK. John Factor. He has nothing to do with the business, and had nothing to do with the business. I believe he is a half brother of the man who owns the business.

Mr. KENNEDY. As a matter of interest, is he the one who was kidnapped by Roger Touhy?

Mr. KORSHAK. That is correct. I told Mr. Factor of the conversation I just had had with Mr. Katz. He told me that the only one that he talked to at that plant was his half brother; that his half brother was in Europe.

Mr. KENNEDY. What is his half brother's name?

Mr. KORSHAK. I believe that would be Max Factor. That he was in Europe at the time, and that was that. I went out and communicated that to Mr. Katz.

Mr. KENNEDY. Did you discuss this again at all after that?

Mr. KORSHAK. I don't know. I really don't recall.

Mr. KENNEDY. Do you remember telephoning him regarding the matter in October, again, 1956?

Mr. KORSHAK. No; I have no recollection of that telephone call. That may have been in response to an inquiry as to whether or not Mr.

Factor had returned from California—from Europe—or whether they were interested. I would only be hazarding a guess on that. I don't know. I have no recollection of that telephone call.

Mr. KENNEDY. We have a toll ticket from your office. It shows a telephone call to Mike Katz, Tuckerman 5-6028. It is on October 25, 1956. The conversation began at 9:15 and ended at 9:33. The conversation lasted 18 minutes and 9 seconds. Do you remember that?

Mr. KORSHAK. No; I really don't. I have no recollection of it.

Mr. KENNEDY. Is your telephone number BU 1-1433?

Mr. KORSHAK. It was then. It is changed now.

Mr. KENNEDY. Well, it was from your residence, a telephone call from your residence. As I say, the telephone conversation lasted 18 minutes. But you say you definitely did meet with Mr. Mike Katz?

Mr. KORSHAK. That is correct.

Mr. KENNEDY. Mr. Chairman, Mr. Katz' testimony was that he had not met with Mr. Korshak or knew that Mr. Korshak knew anything about this matter, or that he had talked to him on the telephone.

The CHAIRMAN. Can you not recall why you may have called him? That is less than a year ago. Can you not recall why you may have called him at that time?

Mr. KORSHAK. Senator, a great deal of my business is transacted on the telephone. I would be hazarding a guess if I said other than I can't recall.

Was that telephone call, Mr. Kennedy, around the same time that the Max Factor Co. was being organized?

Mr. KENNEDY. That is correct.

Mr. KORSHAK. Then if I guessed, I would say that I called him to tell him—he may have tried to reach me. He may have wired me, or attempted to reach me. I may have been returning the call. I am sure it would have to do with the Max Factor Co. I am sure that I would have told him that I have no interest whatsoever in the Max Factor Co., and that Mr. John Factor wasn't interested in the Max Factor Co.

Mr. KENNEDY. I have a few other matters that I want to discuss at this time.

Mr. KORSHAK. Yes, sir.

Mr. KENNEDY. Do you know Mr. Nathan Shefferman?

Mr. KORSHAK. I do.

Mr. KENNEDY. How long have you known him?

Mr. KORSHAK. I met him in 1952, when I commenced my relationship with the Englander Co.

Mr. KENNEDY. You were representing the Englander Co. at that time?

Mr. KORSHAK. That is correct.

Mr. KENNEDY. Mr. Shefferman was also doing some work for the Englander Co.?

Mr. KORSHAK. That is correct.

Mr. KENNEDY. The teamsters started an organizational drive about that time, or shortly afterward?

Mr. KORSHAK. Where was this?

Mr. KENNEDY. In the Central Conference?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. This was much later, in 1955?

Mr. KORSHAK. Right. Are you speaking now of Oakland, Calif.?

Mr. KENNEDY. Were you familiar with that drive?

Mr. KORSHAK. No, I wasn't.

Mr. KENNEDY. You didn't have anything to do with that?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. Were you familiar at all with Mr. Mike Katz, what role he had in the Oakland matter?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. Did you know anything about Mr. Mike Katz' work in the Englander plant in Brooklyn, N. Y.?

Mr. KORSHAK. What year was that in New York?

Mr. KENNEDY. 1953.

Mr. KORSHAK. I believe I was in New York at the time with Mr. Shefferman. I think that Mr. Katz' conversation concerning that is substantially correct. I believe he only stayed there 1 day. What his reasons were in leaving, I don't know.

Mr. KENNEDY. Do you know what he did?

Mr. KORSHAK. I don't think he did anything.

Mr. KENNEDY. Do you know if he ever went to the plant?

Mr. KORSHAK. That I don't know. I have never been to the plant.

Mr. KENNEDY. Did Mr. Shefferman tell you at that time that he was paying this money to Mr. Katz?

Mr. KORSHAK. I believe he did. I believe he did. And I believe Mr. Katz was correct in saying that Mr. Shefferman was very much upset about it. I believe that Mr. Katz wanted more money at that time.

Mr. KENNEDY. Did you approve of the payment?

Mr. KORSHAK. No, sir. I neither approved nor disapproved.

Mr. KENNEDY. It had nothing to do with you?

Mr. KORSHAK. I had nothing to do with it.

Mr. KENNEDY. He was ultimately reimbursed for that payment for the Englander Co.?

Mr. KORSHAK. I am sure he was.

Mr. KENNEDY. That wasn't your responsibility?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. He talked to you about it, but it wasn't necessary to clear it through you?

Mr. KORSHAK. That is correct.

Mr. KENNEDY. The following day, after the checks were made out, there were some conferences between Mr. Shefferman and Mr. Abe Lew regarding the Englander matters in New Jersey. Did you know anything about those?

Mr. KORSHAK. Where were these conversations or conferences?

Mr. KENNEDY. In New York City.

Do you know Mr. Abe Lew?

Mr. KORSHAK. Yes, sir.

Mr. KENNEDY. How long have you known him?

Mr. KORSHAK. I met him in connection with the Englander Co.

Mr. KENNEDY. When was that?

Mr. KORSHAK. I believe that is the time that the Middlesex plant was organized. Was that in 1953?

Mr. KENNEDY. Was the plant open at the time it was organized?

Mr. KORSHAK. I don't believe so, but I will accept Mr. Salinger's findings on it. We gave him all of that information and I am not quite sure.

Mr. KENNEDY. It was not open, I believe, at that time.

Mr. KORSHAK. That is right.

Mr. KENNEDY. Was there a contract signed with Abe Lew at that time?

Mr. KORSHAK. I would not know about that. These negotiations on the Middlesex plant took place between Mr. Shefferman and Mr. Abe Lew and the local plant manager, Mr. Ferdinand. I did not participate in those negotiations.

Mr. KENNEDY. What was Mr. Abe Lew's position at that time?

Mr. KORSHAK. He was the head, I believe, of the retail clerks local in New Jersey.

Mr. KENNEDY. Ultimately, that plant moved from Bayonne, up to Middlesex, did they?

Mr. KORSHAK. No; I believe from Middlesex to Bayonne.

Mr. KENNEDY. Did Mr. Lew organize that plant, too?

Mr. KORSHAK. I believe he had an election, Mr. Kennedy, at both places, in Middlesex and at Bayonne.

Mr. KENNEDY. Did the National Labor Relations Board find that the company had assisted Mr. Abe Lew in organizing that plant? Wasn't that the result?

Mr. KORSHAK. I don't know that.

Mr. KENNEDY. You are not familiar with that?

Mr. KORSHAK. I am not familiar with it.

Mr. KENNEDY. Had you heard that?

Mr. KORSHAK. No; I didn't, but if that is true, the company has cooperated with Mr. Salinger and given him whatever information he required and he had that information, I will accept it.

Mr. KENNEDY. They found, I believe, that in a report dated June 1, 1955. Have you had many dealings with Abe Lew, yourself?

Mr. KORSHAK. I haven't had any dealings with him outside of conversations that I had with him pertaining to these two plants in New Jersey, but I did not negotiate the contracts, but I am sure I talked to him about them.

Mr. KENNEDY. Did you know he was going to assist the company in the organizational drive?

Mr. KORSHAK. I have no knowledge of that.

Mr. KENNEDY. Did you know he had a company called Presto Exterminators?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. He never spoke to you about that?

Mr. KORSHAK. I don't know it now.

Mr. KENNEDY. Was there an effort in 1955 by the teamsters to organize one of the Englander plants in the Midwest?

Mr. KORSHAK. Would you repeat that again?

Mr. KENNEDY. Was there an effort by the teamsters in 1955 to organize one of the Englander plants in the Midwest?

Mr. KORSHAK. Yes, sir. There were several. They organized the plant in Chicago.

Mr. KENNEDY. How did they go about that? Could you tell us about what discussions you had regarding the organization of the plant at Michigan City?

Mr. KORSILAK. Yes, sir, I received a telephone call and I was in New York at the time and I believe I received it from the company. They informed me that the teamsters had pulled the employees out of the plant in Michigan City. They were on strike.

I returned to Chicago the next day and I got in touch with Mr. Jenkins, who I was told was the business representative for the teamsters local in Michigan City. Now, I may have attempted to reach Mr. Jenkins from New York and I am not quite sure about that.

At any rate, I met with Mr. Jenkins in my office in Chicago, and he told me that he had the employees of the plant. I don't think it was called Englander at that time, and I think it was Lowe Industries.

I asked him if he would consent to an election, and he was reluctant at first and he said that the people were out and wanted to stay out and that they wanted a contract negotiated. I told him that, in view of the fact that we had some plants that were not organized, it would be highly beneficial to the company if he could see his way clear to consenting to an election, in view of the strong statements to me that he had our people.

He did consent, and Mr. Mendlesohn was in my office and he walked over to the Labor Board and we asked for an immediate election and one was set down for some 15 or 12 days afterward. They won the election.

Mr. KENNEDY. Did you give them any assurances at that time?

Mr. KORSILAK. As to what, Mr. Kennedy?

Mr. KENNEDY. As to what the company's position would be on the election?

Mr. KORSILAK. I told them that the company would remain completely impartial; that, if he had the people, I would be happy that they so certified that before the Board, and that we would make no efforts to defeat his winning recognition as the bargaining agent for the employees.

Mr. KENNEDY. That plant had an election?

Mr. KORSILAK. Yes, sir.

Mr. KENNEDY. What were the results of the election?

Mr. KORSILAK. The union won by one vote.

Mr. KENNEDY. And the union was recognized; the teamsters?

Mr. KORSILAK. Yes, sir; and subsequently we drew up a contract.

Mr. KENNEDY. Then, were there other efforts after that to organize the rest of the Englander Co. plants?

Mr. KORSILAK. Yes, sir; there were. I received a telephone call, I believe, from the Central Conference of Teamsters, requesting an appointment. I then met with a Mr. Harold Gibbons, who was the president of the national warehouse division of teamsters union. At that particular time, the warehouse division of the teamsters union had a drive on to organize all mattress companies around the country. Mr. Gibbons represented to the company and to myself that they had the majority of our employees and they wanted a contract. We sat down and negotiated with them. We accepted the statement of the teamsters' union.

Mr. KENNEDY. A majority of their employees were?

Mr. KORSILAK. Around the country. At that particular time, I believe that Michigan City was organized and Chicago was organized by the teamsters, and Los Angeles, Oakland, Dallas, and Houston, Tex. I believe they had six of our plants.

Mr. KENNEDY. And how many other plants did you have?

Mr. KORSHAK. We have 17. One was covered by the clerks' union and one was covered by the United Steelworkers in Birmingham, Ala.

Mr. KENNEDY. So there were nine plants that were added?

Mr. KORSHAK. That is correct.

Mr. KENNEDY. So that all of the employees of these nine plants were brought into the teamsters union, with this contract.

Mr. KORSHAK. Into this national contract, but I might add this, Mr. Kennedy, that the teamsters started organizing on a local level and, after we signed the master agreement and before we made any deductions of dues from any of our employees, we were given authorization cards by the teamsters union.

Mr. KENNEDY. But even prior to the time that these people had indicated any desire to do so, the master contract had been signed by the officials of the Englander Co. and Mr. Harold Gibbons; is that correct?

Mr. KORSHAK. That is correct.

Mr. KENNEDY. The individuals in these some nine other plants were never consulted about whether they wanted to belong to the teamsters union or not?

Mr. KORSHAK. Mr. Kennedy, we were under the impression that our employees in these nine other plants were approached by the teamsters union and were being unionized and organized by the teamsters union.

Mr. KENNEDY. Had you found that you received any evidence at all that these people had indicated a desire to join the teamsters union?

Mr. KORSHAK. Only that there was union activity at most of our plants around the country.

Mr. KENNEDY. Maybe the employees were against joining the teamsters union. The point is that none of them were ever consulted in these some nine plants as to whether they wanted to belong to the teamsters union or not.

Mr. KORSHAK. Mr. Kennedy, usually when a union official comes in and makes representations to you that he has your employees, you find it difficult to even get evidence from them of that.

Mr. KENNEDY. You could have held an election. Now, for instance, in the election that you held in this Michigan City plant, where the union official said he had all of the employees, and you people were completely neutral, the teamsters only won by one vote.

Mr. KORSHAK. Yes, sir.

Mr. KENNEDY. Based on that, and based on them signing up the Chicago plant, some nine other plants were brought into the teamsters union.

Mr. KORSHAK. At this particular time, I would like to give you a little history here as to the thinking of the company.

At this particular time, the papers were full of the merger of the AFL and the CIO and calling attention that the merged federation was going to start a drive to unionize every unorganized company in the United States.

We were fearful of that, and we felt that we could live with the teamsters. As a matter of fact, we felt at that particular time that a master contract covering all of our employees would be much preferable to having 17 different contracts around the country.

MR. KENNEDY. I would think that the employees would have a right to be consulted as to whether they wanted to belong to the teamsters or did not want to belong to any union at all or wanted to belong to another union. As we have gone into this in the past, this decision was made by Mr. Pink, of the Englander Co., and Mr. Harold Gibbons, of the teamsters union, without any consultation with any of the employees whatsoever.

MR. KORSHAK. That is correct, sir, other than that they did have six of our plants.

THE CHAIRMAN. You see the point at issue here. It is a question of whether the management and some union head can get together and just say, "The plant is organized," and sign a contract without giving the people, who do the work and who are ultimately to pay the dues, a voice in it as to whether they want to be unionized or whether they prefer some other union.

That sort of an arrangement, I may say, gives rise to the opportunity for management and some union leader to enter into collusion and agree on something. It gives rise to it, and it is a practice that, I think, is very much in error.

I can appreciate that sometimes you think, "Well, they will finally get us anyhow; we will go ahead and join." I understand that.

MR. KORSHAK. Or find a picket line in front of our plant.

THE CHAIRMAN. But I am talking about the practice where it is engaged in by an arrangement that is worked out with management and with some high union official in an international union or council, where it denies to the people or operates to deny the right to the workingmen and the man who is the pawn in the negotiations and ultimate contractual relations any voice in it or right to say whether he wants to belong to a union or not.

MR. KORSHAK. I will subscribe to that 100 percent, sir.

THE CHAIRMAN. I can appreciate the circumstances under which it arises from both sides. That is labor and management. Labor says, "If we can get them all, get them in here, and get a contract, that is fine."

Management says, "Well, I guess they will ultimately get us organized and if they do not, they will put a picket line around us and so just in the course of least resistance we will do that."

MR. KORSHAK. That is what we were worried about.

THE CHAIRMAN. There are times when these things have happened, according to the testimony before this committee, where the arrangement was made solely for somebody to get a payoff and for management to get a benefit from it in a sweetheart contract. It is a practice that I think should be condemned and should be stopped.

MR. KORSHAK. Might I just comment on our contract, Senator?

THE CHAIRMAN. Yes, and these are examples that we are looking into because I think that they need some attention.

MR. KORSHAK. I will go along with you on that, and I will subscribe to your statement. If this contract is a "sweetheart" contract, it is one for the union. It is a catastrophe for my company.

THE CHAIRMAN. I did not say that was true in your case.

MR. KORSHAK. Yes.

THE CHAIRMAN. But we have found that some were sweetheart contracts for management.

Mr. KORSHAK. I am sure that you have.

The CHAIRMAN. Where they were negotiated in substantially the same manner as this one.

Mr. KENNEDY. Isn't it true that the Western Conference of Teamsters refused to come in on this nationwide contract?

Mr. KORSHAK. That is correct.

Mr. KENNEDY. Isn't it also true that the Western Conference of Teamsters contract with the Englander plants is far higher than the contract that was signed by the officials of the Englander Co. with Harold Gibbons and Mr. Hoffa?

Mr. KORSHAK. I tried to explain that to you, Mr. Kennedy. Historically, the wages on the west coast are higher than they are any place else. Our wage scale is the same with some exceptions. Their pension fund is higher. The Western Conference of Teamsters has a 10 cent pension fund. The eastern, and southern conferences have a 5 cent pension fund.

Their health and welfare is about 6½ cents as against 5½ of the eastern conference.

Mr. KENNEDY. You say the increases that were given in the western conference were greater than the ones given here?

Mr. KORSHAK. No, sir, with the exception of the fringe benefits.

Mr. KENNEDY. Which are very important.

Mr. KORSHAK. That is correct and we would have liked to have just given 5 cents, but they have a pattern out there that is at variance with the pattern of the teamsters in the South and East.

Mr. KENNEDY. Did the wage scale remain approximately the same?

Mr. KORSHAK. That is correct.

Mr. KENNEDY. Mr. Chairman, Mr. Salinger has a copy of the contract that was signed with the Central Conference of Teamsters and the one signed on the west coast, and I would like to just have him read out the figures as a comparison and I think it would be of interest to you. Have you made a comparison?

Mr. KORSHAK. I have not.

Mr. KENNEDY. I think it would be very interesting.

The CHAIRMAN. Mr. Salinger, you have been previously sworn.

TESTIMONY OF PIERRE SALINGER

The CHAIRMAN. The testimony you give now is a result of your investigation and the comparisons you have made between the contracts?

Mr. SALINGER. Yes, sir.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Let me ask you first, Mr. Salinger, as an overall picture, what is the highest salary that they receive under the central conference contract?

Mr. SALINGER. You cannot label it as a central conference contract because there are slight differentiations from one Englander company to another, but let us take Michigan City, which has been brought up here.

In the Michigan City contract, and now we are talking about 1955, at the time the contract was signed, the highest wage scale was \$1.72½ an hour. That was for what they called job class I, a maintenance mechanic.

Now, our examination of the similar contracts in Los Angeles, for the same year, with the teamsters, shows that their lowest wage for a job was \$1.63½ for one of their classifications. Now, I might say that because of the difference in the classifications it is hard to compare one contract with another without knowing the exact job specifications, but let us take a simple job like porter or janitor.

In Michigan City a porter-janitor in 1955 was paid \$1.27½ per hour. Under the contract with the retail clerks union in Middlesex, N. J., it was \$1.35. The contract in Seattle was \$1.57½ an hour.

In other words, it was 30 cents an hour higher. The contract in St. Louis, which is one of the contracts in this central agreement, was \$1.22½ an hour. So that there is a marked difference and as best we can compare them, there is a marked difference of approximately 30 cents an hour between the Midwest contracts and the western contracts.

MR. KENNEDY. Would you read some of the figures of what these people receive?

MR. SALINGER. In Michigan City, job class I, cushion fitting, \$1.27½, and job class II, arm frame driller, \$1.32½; job class III, hardware stock clerk, \$1.37½; job class IV, assembler, jackknife sofa, \$1.42½; job class V, cutter-fitting materials, \$1.47½; job class VI, cushion closer, \$1.52½; job class VIII, product repairmen, \$1.62.

That is the main employees. Females are job class I, buttonmaker, \$1.07½.

MR. KENNEDY. That is 7½ cents over the minimum.

MR. SALINGER. That is correct, and I think at this point, when they got the 7½-cent increase, they gave them an increase over the national average.

MR. KORSHAK. How many employees are there?

MR. SALINGER. I have no knowledge of how many buttonmakers there are. I will read some of the rest of them:

Job class II, these are female employees, air stapler assembler, \$1.12½. Air stapling assembler (A) \$1.17½ an hour. Product development worker, \$1.22½, on up to the highest classification for women, \$1.42½ an hour.

MR. KENNEDY. Would you read it for the west coast now, please?

MR. SALINGER. Here we have a seamstress, \$1.70½; bordermaker, \$1.62½; border machine operator, \$1.97½; floor girl, \$2.02 an hour; box spring assembler, \$1.89; general help \$1.63; packers, \$1.63½; tufter, \$1.82½. Those are representative of the figures in that contract.

THE CHAIRMAN. Is there anything further?

TESTIMONY OF SIDNEY R. KORSHAK—Resumed

MR. KENNEDY. Mr. Shefferman was working for the Englander Co., was he not?

MR. KORSHAK. He was.

MR. KENNEDY. Do you know during the period of time that he was working that his representatives were attempting to avoid unionization?

MR. KORSHAK. No, sir.

MR. KENNEDY. You do not have any information on that?

MR. KORSHAK. No, sir.

Mr. KENNEDY. Would you, Mr. Salinger, give us the figures of how much the Englander Co. paid to Mr. Shefferman, up to the time that the contract was signed by the teamsters?

Mr. SALINGER. The figures go past that time. The Englander Co. paid Mr. Shefferman in the year 1953, \$28,324.40. In 1954 they paid him \$22,664.92. In the year that the contract was signed with the teamsters, 1955, they paid them \$24,011.60. The services ceased in January of 1956, when he received \$1,403, a total for those 3 years plus 1 month of \$76,401.87.

Mr. KORSHAK. I am being grossly underpaid.

Mr. KENNEDY. After the contract was signed with the teamsters, then, Mr. Shefferman's services ended; is that right?

Mr. SALINGER. Yes, soon thereafter; yes, sir.

Mr. KENNEDY. Now, I just have one other matter that I want to take up with you and that is another company, entirely, which I understand you had something to do with and that is the Echo Products Co.

Mr. KORSHAK. Yes, sir.

Mr. KENNEDY. You have been retained by them?

Mr. KORSHAK. Since 1956, I think.

Mr. KENNEDY. 1956?

Mr. KORSHAK. Maybe 1955, but I think it is 1956.

Mr. KENNEDY. Are you familiar with the Autoyre Co., a subsidiary of Echo Products?

Mr. KORSHAK. I know something about it; yes, sir.

Mr. KENNEDY. They had a plant in Connecticut, did they?

Mr. KORSHAK. That is correct.

Mr. KENNEDY. In what place in Connecticut?

Mr. KORSHAK. That I don't know, Mr. Kennedy. In Connecticut.

Mr. KENNEDY. Were you familiar with the organizational drive against that company?

Mr. KORSHAK. That was handled by Mr. Lou Becker.

Mr. KENNEDY. Mr. Lou Becker?

Mr. KORSHAK. Of the company. His title is "Personnel and employee relations." I have talked to him many times concerning that company, but I wasn't present at any of the negotiations, and I would have to guess at what took place.

Mr. KENNEDY. Did Mr. Shefferman also work for Echo?

Mr. KORSHAK. I believe he did. I believe he did perform some services.

Mr. KENNEDY. Did you have any conferences with Mr. Shefferman in that regard?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. Were you familiar with the organizational drive being made on the company, the plant, in Connecticut? Were you brought in on that matter at all?

Mr. KORSHAK. No, sir. I was aware of it.

Mr. KENNEDY. You had no conferences at all?

Mr. KORSHAK. I think I had conferences, but they would have had to have been telephone conferences.

Mr. KENNEDY. You didn't have any conferences with any of the officials of the unions that were making the organizational drive?

Mr. KORSHAK. I had—are you talking of telephone conferences?

Mr. KENNEDY. Telephone conferences?

Mr. KORSHAK. I am sure I had telephone conferences.

Mr. KENNEDY. Was that a drive by both the UAW-CIO and by the jewelry workers union?

Mr. KORSHAK. That is correct.

Mr. KENNEDY. And Mr. Charles Carrigan was in charge of the drive by the UAW?

Mr. KORSHAK. I know that now.

Mr. KENNEDY. Did you ever meet with him?

Mr. KORSHAK. I met him once.

Mr. KENNEDY. Where did you meet with him?

Mr. KORSHAK. I met him at the Essex House in an apartment of a Mr. Phil Weiss.

Mr. KENNEDY. You had a conference with him at that time?

Mr. KORSHAK. I didn't have a conference with him; no, sir.

Mr. KENNEDY. You just met him?

Mr. KORSHAK. Would you like the circumstances of the meeting? It is brief.

Mr. KENNEDY. All right.

Mr. KORSHAK. I was in a room opposite Mr. Weiss' room. I evidently was using the telephone. He knocked on my door and asked if I would come in. I walked in and there I met Mr. Carrigan. They were having a drink. That was the first and last time I met Mr. Carrigan, and I spent 5 minutes in the room.

Mr. KENNEDY. Did you talk to him about the organizational drive?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. How did you happen to be in New York?

Mr. KORSHAK. I am in New York about every 10 days.

Mr. KENNEDY. Did you have anything to do with this plant?

Mr. KORSHAK. I don't think so.

Mr. KENNEDY. You did not?

Mr. KORSHAK. I don't think so.

Mr. KENNEDY. Had you been requested by Mr. Becker to go to New York?

Mr. KORSHAK. I may have been.

Mr. KENNEDY. Did you talk to Mr. Carrigan?

Mr. KORSHAK. Just on that one occasion.

Mr. KENNEDY. Were you requested by Mr. Lou Becker to come to New York to talk to Mr. Carrigan?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. You were not?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. You say you do not remember whether you discussed the drive by the UAW on this plant?

Mr. KORSHAK. That is right. Let me just add this, Mr. Kennedy: It is possible that Mr. Carrigan brought up the question of the Echo plant at that particular time, but at that time the Echo plant at Waterbury, Conn., had already started dismantling its operations, and it would have been a moot question.

Mr. KENNEDY. When was that?

Mr. KORSHAK. That I don't recall. The only thing I do recall is the meeting that I had with Mr. Carrigan.

Mr. KENNEDY. The meeting, as I understand it, was in February of 1955.

Mr. KORSHAK. Then the plant—was this in 1955?

Mr. KENNEDY. 1956. February 1956.

Mr. KORSHAK. Then I am sure at that particular time the plant was already on its way out.

Mr. KENNEDY. Did you have any conferences with Mr. Carrigan?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. Did you talk to anybody else?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. Did you talk to Mr. Phil Weiss about the matter?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. Did you talk to Mr. Hyman Powell, of the jewelry workers union?

Mr. KORSHAK. I have talked to Mr. Hyman Powell many times.

Mr. KENNEDY. Did you talk to Mr. Hyman Powell of the jewelry workers about this matter?

Mr. KORSHAK. I am sure I did.

Mr. KENNEDY. I thought you said originally you hadn't talked to any union officials about the matter?

Mr. KORSHAK. No, I did not.

Mr. KENNEDY. I misunderstood you.

Mr. KORSHAK. I am sure that in this period when we were beset with the two labor unions that I had conversations. I don't think I ever met with Mr. Powell at that particular time in person, but I am quite sure I talked to him on the telephone. I am sure I talked to Mr. Becker many times when he was in Mr. Powell's presence about that particular thing.

Mr. KENNEDY. Were you attempting, as a representative of the plant, to get the jewelry workers in there?

Mr. KORSHAK. No, sir. I had no choice whatsoever. As a matter of fact, United Auto Workers offered to take over the contract of the jewelry workers for 3 or 4 years.

Mr. KENNEDY. So that never was an issue at all?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. You never had any conversations with Mr. Hyman Powell about that matter?

Mr. KORSHAK. About what matter?

Mr. KENNEDY. About getting the automobile workers union out of there and getting the jewelry workers union in?

Mr. KORSHAK. Mr. Powell may have mentioned it to me.

Mr. KENNEDY. But you were not responsive?

Mr. KORSHAK. No, sir. I didn't do anything about it.

Mr. KENNEDY. What did he suggest that you do?

Mr. KORSHAK. He may have suggested that I do something with the Federation on the question of jurisdiction, of getting the United Auto Workers to withdraw and let the jewelry workers stay there.

Mr. KENNEDY. Did he suggest that you see or talk to anyone about that?

Mr. KORSHAK. He may have. He may have suggested that I see Mr. Carrigan, but I never did. I only saw him on that one occasion and that was by chance.

Mr. KENNEDY. Did he suggest that you see or talk to anyone else?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. He did not?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. Did you talk to Mr. Phil Weiss about this matter at all?

Mr. KORSHAK. I did not.

Mr. KENNEDY. Did Mr. Powell suggest you talk to Phil Weiss?

Mr. KORSHAK. I don't think so.

Mr. KENNEDY. Did Mr. Powell ever come to see you?

Mr. KORSHAK. Yes, he did.

Mr. KENNEDY. Whereabouts?

Mr. KORSHAK. In Chicago.

Mr. KENNEDY. He came to see you in Chicago?

Mr. KORSHAK. Sure. Mr. Powell has come to Chicago many times.

Mr. KENNEDY. He came to see you about this matter?

Mr. KORSHAK. That I don't know, Mr. Kennedy. He may have. I am not trying to be coy. I just don't know.

Mr. KENNEDY. What matter did he come to see you about, then?

Mr. KORSHAK. Well, we have about three plants that Mr. Powell represents our employees in. He may have come about any 1 of the 3. He may have talked to me about this particular time about our plant in Idlewild. I am sure I was very much interested in it, and I am sure we were beset with the problem of having two unions. I am sure that—

Mr. KENNEDY. Did you discuss with him at that time or any other time about what methods you could use to get the automobile workers out and get the jewelry workers in?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. You did not?

Mr. KORSHAK. No, sir. Other than to appeal to the auto workers.

Mr. KENNEDY. Mr. Becker didn't call you in Palm Springs and ask you to come East on this matter?

Mr. KORSHAK. He may have.

Mr. KENNEDY. Well, it must have been of some importance. I thought when we started out you didn't know anything about this. Now it seems that you met with Mr. Hyman Powell, and you at least met Mr. Carrigan, and Mr. Becker called you all the way to Palm Springs to discuss it.

Mr. KORSHAK. I am trying to tell you that I didn't sit in on the negotiations. I have never been at the plant. I tried to say that I may have had conferences or conversations about it. But the one who could give you firsthand information on that would be Lou Becker.

Mr. KENNEDY. I understand that you also might have some information, so I am trying to get that from you.

Mr. KORSHAK. If I have, I will be happy to give it.

Mr. KENNEDY. What did Mr. Becker want you to come East for?

Mr. KORSHAK. When was this, Mr. Kennedy, that he wanted me to come East?

Mr. KENNEDY. About February of 1956. Did he suggest that you come and meet Mr. Phil Weiss?

Mr. KORSHAK. No, sir.

Mr. KENNEDY. He did not?

Mr. KORSHAK. Definitely not.

Mr. KENNEDY. It was just by chance that you met Phil Weiss?

Mr. KORSHAK. Correct. As a matter of fact, Mr. Kennedy, I don't think Mr. Becker ever met Phil Weiss in his life.

Mr. KENNEDY. That is not the question.

Mr. KORSHAK. Well, you asked——

Mr. KENNEDY. What did he want from you? What did he want you to come East for?

Mr. KORSHAK. Mr. Becker?

Mr. KENNEDY. Yes.

Mr. KORSHAK. I wouldn't know now.

Mr. KENNEDY. You don't remember that?

Mr. KORSHAK. No, sir. We have a plant in Holyoke; we have a plant in Geneva. It could have been in relation to those plants, and if we were still on this Holyoke—on this Waterbury thing, it could have been in relation to that.

Mr. KENNEDY. This plant was closed down and moved to Chicago, was it?

Mr. KORSHAK. That is correct. Economic reasons dictated that.

Mr. KENNEDY. Was it organized when it got to Chicago?

Mr. KORSHAK. We have a union in Chicago. They became part of that union.

Mr. KENNEDY. What union is that?

Mr. KORSHAK. Teamsters union.

Mr. KENNEDY. They became members of the teamsters union in Chicago?

Mr. KORSHAK. That is correct. Actually, may I just add this, Mr. Kennedy: Actually, very few employees came in with the plant. Actually, very few moved out of the area.

Mr. KENNEDY. Did you know if Mr. Shefferman's services ended after the plant went to Chicago and became part of the teamsters union?

Mr. KORSHAK. I am sure of that.

Mr. KENNEDY. Would you give us the figures on that, Mr. Salinger, on the Echo Co.?

Mr. SALINGER. In the year 1953, the Echo Co. paid Mr. Shefferman a total of \$10,484.90. In the year 1954, there was almost no activity. They paid \$544.60. In the year 1955 they paid a total of \$5,804.98. The last invoice sent to the Echo Co. by Mr. Shefferman was in November of 1955. That was shortly before the jewelry workers organized this plant in Connecticut. Subsequently the plant was closed down and moved to Chicago. The total billing for the 3-year period is \$16,834.48.

Mr. KENNEDY. After they moved to Chicago and were organized by the teamsters, did they retain Mr. Shefferman then?

Mr. SALINGER. They did not.

Mr. KENNEDY. That is all for now, Mr. Chairman.

The CHAIRMAN. Senator McNamara?

Senator McNAMARA. I have just a couple of questions.

You stated that you believed Mike Katz correctly reported his activities in New York?

Mr. KORSHAK. When he said, Senator, that he didn't do anything.

Senator McNAMARA. Yes. How would you know about Mike Katz' activities in New York so that you could make that statement?

Mr. KORSHAK. Just what I listened to here, and what I heard from Mr. Shefferman.

Senator McNAMARA. Did Shefferman advise you that Mike Katz was coming to New York?

Mr. KORSHAK. No, sir.

Senator McNAMARA. You didn't observe his activities?

Mr. KORSHAK. No, sir.

Senator McNAMARA. You surprise me a little bit when you make the statement that he correctly stated his activities in New York. You knew nothing of his activities until you heard them here?

Mr. KORSHAK. Actually that is so.

Senator McNAMARA. You certainly weren't giving the committee any information, because we sat here and heard that, too. As an attorney, and an intelligent person, I don't understand what you meant by that.

Mr. KORSHAK. Well, I had some conversation with Mr. Shefferman in New York. I told the committee I was present there.

Senator McNAMARA. Prior or afterward?

Mr. KORSHAK. No; during the time Mr. Katz was in New York.

Senator McNAMARA. Did you see Mr. Katz in New York?

Mr. KORSHAK. I don't know whether I did or didn't.

Senator McNAMARA. But you say to us that you believe he stated correctly what his activities were there?

Mr. KORSHAK. Well, maybe I am in error, then.

Senator McNAMARA. Somebody is in error. Tell us about this national contract with the teamsters union. You were representing the Englander Co. when it was negotiated, this nationwide contract?

Mr. KORSHAK. That is correct.

Senator McNAMARA. That covered all the plants. Did it include the west coast plants or not?

Mr. KORSHAK. No; it did not. It just covered, as Mr. Kennedy stated, the eastern and southern and midwestern. I had to go out to the west coast and negotiate independently.

Senator McNAMARA. When you say it covered the South and Midwest, did it cover the east coast plants, too?

Mr. KORSHAK. That is correct.

Senator McNAMARA. Do you consider that part of the midwest territory?

Mr. KORSHAK. Well, they negotiated for them. They evidently had the head of the eastern conference, and the head of the southern conference, and the head of the central conference present there.

Senator McNAMARA. Why didn't it include the west coast plants?

Mr. KORSHAK. I believe that at the time this contract was negotiated, Senator, there was a keen rivalry between Mr. Hoffa and Mr. Brewster. I learned of it at that particular time. So Mr. Brewster would resent anything that Mr. Hoffa would do, and Mr. Hoffa would resent anything that Mr. Brewster would do.

The fact that Mr. Hoffa negotiated this contract with us, Mr. Brewster wouldn't accept it.

Senator McNAMARA. This contract that covered the plants in the midwest and the eastern district, established minimum wages? Minimum wages? Or were these top wages?

Mr. KORSHAK. I don't know. I don't know about that. All I am familiar with, Senator, is the increases that we gave during these negotiations.

Senator McNAMARA. How much was that?

Mr. KORSHAK. In 3 years we have given 41.5 cents to the west coast, 32 cents plus to the central, midwest and eastern conferences.

Senator McNAMARA. The west coast didn't enter into this thing at all?

Mr. KORSHAK. No, sir.

Senator McNAMARA. Let's talk about the one that you did enter into on this broad coverage.

Mr. KORSHAK. I went out. I negotiated with the west coast, too.

Senator McNAMARA. I understand, but separately.

Mr. KORSHAK. Right.

Senator McNAMARA. I am talking about the one that you negotiated that covered the midwest and southern areas. You assumed that these were just not minimum wages, but these were top wages, is that it? I mean, you set buttonmakers at \$1.075. Could you pay buttonmakers more under the contract?

Mr. KORSHAK. No, sir; that that Mr. Salinger read, I am sure, is base rates. Ninety percent of this company is on an incentive rate. Their take-home pay is comparable to the best that any employees in a like industry make in the United States.

Senator McNAMARA. This \$1.07, in this case, was a minimum rate?

Mr. KORSHAK. That is correct.

Senator McNAMARA. Weren't all the other rates in the contract minimum rates?

Mr. KORSHAK. Base rates?

Senator McNAMARA. Yes.

Mr. KORSHAK. I am sure they were.

Senator McNAMARA. Then you could pay the employees more than was established in this agreement?

Mr. KORSHAK. That is right.

Senator McNAMARA. On that basis, there seems to be no reason why that couldn't cover the west coast, too, because you could have paid the \$1.075 out there, even under this contract, except for the rivalry between the 2 individuals.

Mr. KORSHAK. With this exception, Senator: These companies were already established on the west coast and rates were being paid out there. They may have started at higher rates.

Senator McNAMARA. They were already under contract?

Mr. KORSHAK. Sure. We certainly wouldn't be interested in bringing them up to the highest. As a matter of fact, great consideration was being given to moving out of the west coast because it was impossible to pay those rates.

Senator McNAMARA. That is all.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. I have just a couple of things.

We have some information on the closing of the plant, as far as the date is concerned, and I thought we better straighten that out.

What did the record show as far as the closing of the plant?

Mr. SALINGER. The first notice to the many employees was posted on the bulletin board April 2, 1956.

Mr. KENNEDY. When was that?

Mr. SALINGER. Four days after the National Labor Relations Board ordered the company to hold an election with the autoworkers union.

Mr. KENNEDY. So the notice to the employees about the closing of the plant did not come until 4 days after the National Labor Relations Board ordered an election which was to include the automobile workers.

Mr. KORSHAK. I have no knowledge of that.

Mr. KENNEDY. Mr. Chairman, Mr. Katz testified that he received the instructions from Mr. Comboy, or received the request from Mr. Comboy of the teamsters union to stop his organizing. We have talked to Mr. Comboy this morning. Mr. Salinger might report the results of that conversation. Of course, it is not sworn to.

The CHAIRMAN. He may report it, but it is not testimony. It will not go into the record as such.

Mr. SALINGER. Mr. Comboy stated he will furnish an affidavit on that.

The CHAIRMAN. It will be received and will be placed into the record.

Mr. SALINGER. He stated that he knew Mr. Katz, and his feeling was that Mr. Katz is a man of extremely ill repute in the labor movement, and that he never discussed this matter with him at any time or any other matter.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. There will be some matters that we will go into at a later time with Mr. Korshak. He has been very cooperative.

The CHAIRMAN. Mr. Katz will remain until this afternoon. The committee now stands in recess until 2:30.

(Members of the select committee present at time of recess: Senators McClellan and McNamara.)

(Whereupon, the committee recessed at 12:55 p. m., to reconvene at 2:30 p. m. the same day.)

AFTERNOON SESSION

(Committee members present at reconvening of the afternoon session: Senator McClellan, McNamara, and Goldwater.)

The CHAIRMAN. The committee will come to order.

Be sworn, please. You do solemnly swear the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BENDER. I do, sir.

TESTIMONY OF FRED W. BENDER

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. BENDER. Fred W. Bender. My business address is 122 North 7th Street, St. Louis, Mo. I am an industrial relations consultant.

The CHAIRMAN. A what?

Mr. BENDER. Industrial relations consultant.

The CHAIRMAN. Do you waive the right to counsel?

Mr. BENDER. Yes, sir.

The CHAIRMAN. All right, Mr. Kennedy, proceed.

Mr. KENNEDY. Mr. Bender, how long have you been an industrial relations consultant?

Mr. BENDER. Since 1945.

MR. KENNEDY. In that capacity, have you met Mr. Nathan Shefferman?

MR. BENDER. Yes, sir.

MR. KENNEDY. When did you meet him?

MR. BENDER. In 1955.

MR. KENNEDY. And you met him in St. Louis?

MR. BENDER. Yes, sir.

MR. KENNEDY. He came to your office; did he?

MR. BENDER. He did.

MR. KENNEDY. What conversations did you have with him at that time? Would you relate them to the committee, please?

MR. BENDER. Yes. He came in and said he wanted a man in the industrial relations business to represent him in St. Louis, and as far south as the gulf coast, over to Indiana, and that he particularly wanted a man to set up independent unions, company unions.

MR. KENNEDY. What sort of thing did he say that he wanted? Would you explain what he had in mind that you would do for him?

MR. BENDER. Well, he didn't spend too much time introducing himself. He mentioned the name of a person that I had met in 1953, and that was the sort of an introduction. He thought that I would be the kind of a man to work along with him. On this independent union thing, he said he had 3 plants in mind, 1 at Jackson, Miss., 1 at St. Louis, and 1 in Indiana. In St. Louis, he had the Englander plant in mind.

MR. KENNEDY. What do you mean he had in mind? What sort of idea was he trying to put over? What were you supposed to do for him?

MR. BENDER. Well, he was going to set up a committee of employees between he and the company, and send the committee into my office, and I was to advise the committee how to organize an independent union, direct the distribution of the literature, and consult with them until the thing was organized.

MR. KENNEDY. So you were to establish in this area company unions?

MR. BENDER. That is right.

MR. KENNEDY. And what did he say about the negotiations? What would he do about that, about the negotiation of the contracts?

MR. BENDER. Well, we never got into that field of it at all. He said that these people, the committee that would be sent to me, would be a picked committee, each person on the committee would be selected by himself and management so that there wouldn't be any mistakes. There wouldn't be any one on the committee that would cause any trouble. But beyond that, he didn't go into negotiations.

MR. KENNEDY. Did he speak to you about how much he would pay you if you performed these services?

MR. BENDER. My offices are in a building that is out of the high-priced district. I have some furniture that is about 35 years old. I guess he thought that high up in five figures would interest me.

MR. KENNEDY. In five figures?

MR. BENDER. I rarely get into the five figures.

MR. KENNEDY. But he mentioned five figures?

MR. BENDER. That is right.

MR. KENNEDY. That is how much he would pay you?

MR. BENDER. Yes.

Mr. KENNEDY. Were you to organize these company unions in other plants than the Englander in St. Louis? Where else did he say?

Mr. BENDER. In Jackson, Miss.

Mr. KENNEDY. What company there?

Mr. BENDER. There was no company mentioned except Englander.

Mr. KENNEDY. And where was the third one?

Mr. BENDER. He just mentioned the State—Indiana.

Mr. KENNEDY. Were you to organize these company unions in other areas?

Mr. BENDER. That is right.

Mr. KENNEDY. You were to have general charge of this Midwest area, the lower Midwest area?

Mr. BENDER. That is right. He said that this would be the beginning of a relationship that would be extremely useful to myself, because he had extra connections with Dave Beck and Hoffa, and could make it very profitable for me.

Mr. KENNEDY. Did you turn him down at that time?

Mr. BENDER. That is right.

Mr. KENNEDY. You didn't perform any services for him?

Mr. BENDER. No, sir.

Mr. KENNEDY. You refused to do that?

Mr. BENDER. That is right.

Mr. KENNEDY. That is all I have at this time.

The CHAIRMAN. When did this occur?

Mr. BENDER. In 1955—in the spring of 1955.

The CHAIRMAN. And what he wanted to engage your services for was principally to organize company unions?

Mr. BENDER. That is right, sir.

The CHAIRMAN. They would develop the committee, send the committee to you, and you would take over and counsel and consult with them as a labor relations man?

Mr. BENDER. That is right, sir.

The CHAIRMAN. And you say he was willing to pay you up into five figures?

Mr. BENDER. High up in five figures.

The CHAIRMAN. High up in five figures?

Mr. BENDER. I don't know what he meant.

The CHAIRMAN. Didn't that interest you?

Mr. BENDER. No, sir. I just could be—

The CHAIRMAN. I think about the lowest in 5 figures would be \$10,000, so high up would be higher than 10.

Mr. BENDER. Well, I have done a great deal of work in cooperation with the United States Government, and my reputation—I just couldn't take it.

The CHAIRMAN. You mean you thought at that time that you had some idea that your reputation might become involved if you got entangled?

Mr. BENDER. That is right.

The CHAIRMAN. Thank you very much.

Senator McNamara.

Senator McNAMARA. You said that in this original contact with Mr. Shefferman he mentioned a name that you knew—somebody who was a mutual acquaintance. Who was that?

Mr. BENDER. That was Harry Karsh. I met Harry Karsh in 1953. He had been a former business agent for the teamsters' local 688. In 1953 he was representing himself as a labor counselor in St. Louis, a labor adviser. Well, after we met he told me about Shefferman. He tried to arrange a meeting between Shefferman and myself, but I refused. He told me Shefferman had a great connection in the teamsters with Beck and that he probably could do me a lot of good in St. Louis.

Senator McNAMARA. Harry Karsh is a St. Louis man?

Mr. BENDER. Harry Karsh in 1953, as I say, was not in the labor movement. But prior to that he was a business representative of teamsters' local 688. That teamster local merged with the United Distribution Workers—Harold Gibbons' union. When they merged, Mr. Karsh was given severance pay and he left the organization. Today he is back into the movement as the business agent of the carnival workers. I think the number is 447, a teamsters' local.

Senator McNAMARA. Did you intend to insinuate when he mentioned Harry Karsh's name that you were no longer interested; is that it? You no longer wanted to be associated with him?

Mr. BENDER. Well, that was one reason.

Senator McNAMARA. I wondered if that was what you were insinuating.

All right. Thank you very much.

The CHAIRMAN. Thank you very much.

Call your next witness.

Mr. KENNEDY. Congressman Shelley.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SHELLEY. I do.

TESTIMONY OF HON. JOHN F. SHELLEY

The CHAIRMAN. State your name, your place of residence, and state your representation.

Mr. SHELLEY. My name is John F. Shelley. I represent the Fifth Congressional District of California in the House of Representatives. My residence address in San Francisco is 1001 Pine Street, San Francisco. My residence address in the Washington area is 2622 South Joy Street, Arlington, Va.

The CHAIRMAN. How long have you served in Congress?

Mr. SHELLEY. I was elected to Congress in a special election in November 1949 and have been reelected in 1950, 1952, 1954, and 1956, most of the times without opposition of either party.

The CHAIRMAN. Thank you very much.

Proceed, Mr. Counsel.

You are not under subpoena, are you?

Mr. SHELLEY. No, sir.

The CHAIRMAN. Members of the staff contacted you?

Mr. SHELLEY. They contacted me in my office a couple of hours ago and told me about some statements that were made here this morning and asked me if I would be willing to make an appearance this afternoon, and I assured them I would.

The CHAIRMAN. Thank you very much.

Mr. KENNEDY. Congressman, could you tell the committee a little of your background as far as the labor movement is concerned?

Mr. SHELLEY. I was born in San Francisco. My father was a longshoreman. I was educated there, went to public and parochial schools. I went to sea as a young man and came back and went to the University of San Francisco on a football-baseball scholarship. I went back to sea. I came back in January 1929. I joined the teamsters union on the basis of having secured employment with the Continental Baking Co., Wonder Bread and Hostess Cake, and went back to law school at night at the University of San Francisco, from which I took my law degree in 1932.

In 1932 I was elected delegate to the San Francisco Central Labor Council, was later elected vice president of the bakery wagon drivers, a post which I held for 2 years, was later elected vice president of the central labor council, and in January 1937 was elected president of the labor council, a post which I held until 1948 when the then secretary-treasurer passed away, old John O'Connell, and I was elected secretary-treasurer of the labor council.

In 1947 I was elected president of the California State Federation of Labor, reelected in 1948, 1949, and after my election to Congress in 1949, did not resign but did not run for reelection in 1950, and since then have held no official position with labor but still hold a membership in local 484, the bakery wagon drivers in San Francisco of the International Brotherhood of Teamsters.

Mr. KENNEDY. While you were with organized labor and held these official positions with organized labor, did you ever come across Mr. Mike Katz?

Mr. SHELLEY. May I tell the story in my own way, Mr. Counsel?

Mr. KENNEDY. Yes. Would you, please?

Mr. SHELLEY. In 1938, I was elected to the California State Senate, which is a part-time job, was reelected in 1942 without any opposition on either ticket, and in 1946 was the Democratic nominee for lieutenant governor. That is one I did win. The present Governor of California was the Republican nominee and successful. I took a leave of absence from my paid job as president of the central labor council to campaign, and upon my return after the elections in November I found that there had been set up in my absence what they called a special organizing committee which had been given offices on the mezzanine floor of the Labor Temple at 2940 16th Street, San Francisco.

This organizing committee was set up because of the fear of some of the members of particularly the metal trades unions who had had great membership during the war period, with shipbuilding activities, that with the spread of unemployment and layoffs following the cancellation of war contracts and the cessation of the war, that the CIO groups would move in on them and use this unrest in order to pull the men away from them and take the men out of the A. F. of L. setup.

I can understand their concern. They set up this special organizing committee which was supposed to have had the approval of the Central Labor Council by a resolution that was adopted. Mike Katz was one of the organizers. There were two gentlemen working in this committee and handling it—one a Mr. Joe Roberts, about whom I have nothing bad to say. He is employed in California at the present time, and I think has always done a clean job.

Mr. Mike Katz was also employed in this office. After I came back on the job in about December of 1956, I started looking into the activities of this committee, and some of the activities of Mr. Katz, in particular, because I was the president of the central labor council, and felt that labor should be militant, labor should be radical in the best sense of the word "radical," in demanding changes and improvement, but it should not have characters with bad reputations affiliated with them or people who used rough, tough, bad practices in trying to achieve labor's legitimate ends.

I one night walked into their office, which was just downstairs under mine. Mr. Roberts and Mr. Katz were in the office. It was about 6:30 at night. I think this was in early 1947. It was about 6:30 in the evening. I said I wanted to have a talk and get an explanation of what they thought they were doing and an explanation of a couple of things. I don't recall the exact incidents at the time.

I had had reports that they were using what I consider not good tactics. They were threatening and involving themselves in issues which were not organizing, but trying to intimidate both union members and employers.

As I went in and sat down on Mr. Roberts' desk, Mr. Katz, who sat at another desk just inside the door, made some comment. As I wheeled around to ask him what he had said he produced a .38 revolver, either from the desk or from his clothing, and laid it on the desk and made a crack about "Don't get tough with us."

I told Mr. Katz that he better stuff the revolver back where he got it, or I would stuff it some place else, butt first.

Mr. Katz put the revolver in the desk drawer. Mr. Roberts and I had our conversation. I left the office.

Several months later, Mr. Katz was terminated from employment with this committee, and some several months after that, the committee was dissolved because there was actually no use for it.

MR. KENNEDY. Did your paths cross again, with Mike Katz?

MR. SHELLEY. I think at several labor meetings, up to about 1950, I saw Mr. Katz. I had no conversation with him. But I don't think I have seen Mr. Katz personally since 1950 or 1951.

MR. KENNEDY. Mr. Katz made some statements about Joe Dillon. He called him "Back Door" Dillon, I believe, this morning when he testified. Could you tell the committee what your experience has been as far as Joe Dillon is concerned, and his general reputation?

MR. SHELLEY. Yes, Mr. Counsel.

I have known Mr. Dillon and his family since I was a young boy in San Francisco. He comes from a highly respected family. Joe Dillon, if I can give you the background as I know it, spent several years in the seminary studying to be a priest in St. Patrick's Seminary in Menlo Park, Calif. He left and later went to work as a warehouseman. At that time they were unorganized. The ILWU, the Bridges Longshoremen, organized the warehousemen. Dillon became a business agent for that organization. He later broke with Mr. Bridges and Mr. Goldblatt and some of the leadership of that union on a difference of view on policy. Mr. Dillon talked to me about it, I believe it was 1945 or 1946, and I arranged meetings with Mr. Dillon and Mr. Inar Mohm, Mr. Joe Devany, and some of the men from the top of the teamsters. He was then hired as an organizer for the teamsters warehousemen and went to work for them.

To the best of my knowledge, as long as I have known Mr. Dillon, which is probably for 20 or 25 years, he is clean, he is honest, he is respectable and he is a good American citizen and a good trade unionist.

The CHAIRMAN. Are there any questions?

Senator McNamara.

Senator McNAMARA. I would like to ask the Congressman a question.

After Mike Katz pulled a gun on you in your office, or in the office that was in the Labor Temple—

Mr. SHELLEY. It wasn't in my office, Senator. It was in this committee's office, which was a floor below mine.

Senator McNAMARA. I refer to it as your office where you were president of the central body, and this was the Labor Temple. It was your building.

Mr. SHELLEY. That is right. The Labor Temple in San Francisco is owned by the Central Labor Council or by a separate corporation setup.

Senator McNAMARA. You indicated that the committee continued in that employment for a couple of months afterward. There must have been some accounting for that. I don't know why you tolerated him the next day.

Mr. SHELLEY. I didn't have the authority to dismiss him or he would have been out of there fast and furiously at that time. But I did not have the authority, and it took a little time, as I think you can appreciate, Senator, to work out the means and the procedure for clearing the desks.

Senator McNAMARA. He was employed by the special organizing committee?

Mr. SHELLEY. Yes.

Senator McNAMARA. And that was established by the Central Labor Council?

Mr. SHELLEY. That is right, sir.

Senator McNAMARA. They were given a certain sum of money and authority to hire?

Mr. SHELLEY. That is right, sir.

Senator McNAMARA. Therefore, you didn't have direct charge?

Mr. SHELLEY. Yes.

Senator McNAMARA. I think the record ought to explain why he was continued if he pulled the gun on you, and that is your answer.

Mr. SHELLEY. That is why it was done.

The CHAIRMAN. Senator Goldwater?

Senator GOLDWATER. Congressman Shelley, is it not true that Mr. Dillon has been actively against Mr. Bridges ever since Mr. Bridges has been disclosed as what he is in the labor movement?

Mr. SHELLEY. Well, of course I don't know what you mean by disclosed as to what he is in the labor movement. It is a peculiar situation, Senator.

Senator GOLDWATER. I refer to his Communist activities.

Mr. SHELLEY. You have a very peculiar situation there. A great number of us disagree with a lot of Mr. Bridges' political ideas. But even the men in his own union who might disagree with that will sometimes support him because they figure he has done a job for the men on the waterfront in San Francisco.

Mr. Dillon, however, was a man who for a long time fought him inside his own union because of these differences of opinion on the basis of political philosophy. I think that the job that he holds with the teamsters in organizing the warehouse division indicates that he still holds that viewpoint.

Senator GOLDWATER. The reason I asked that was Mr. Katz testified this morning, and during the testimony he left the impression with me that in his opinion Mr. Dillon was not devout in his opposition to communism. It has been my understanding from friends in the labor movement in the San Francisco area that Mr. Dillon has been extremely devout in his opposition to Mr. Bridges and to communism.

Mr. SHELLEY. I will agree with what you have just expressed as to the reports you have from friends of Mr. Dillon as being my own opinion. I think he is devoutly opposed to communism. I think he is a good American. If he is a Communist, then perhaps we all better look at ourselves. I have been called one at times, and I think there are times when people who just want to get even with somebody in the labor movement, even in interunion fights, will say, "Oh, he is a darn Communist." That is the only basis that someone would say it about Joe Dillon. But as far as having a taint of Communist philosophy in his whole being, it just doesn't exist.

The CHAIRMAN. Thank you very much, Congressman Shelley.

Mr. SHELLEY. Thank you.

The CHAIRMAN. Call the next witness.

TESTIMONY OF PIERRE SALINGER—Resumed

Mr. KENNEDY. Mr. Chairman, we had some discussion this morning regarding the Englander contract, and the difference between that contract and the contract on the west coast. We have here an analysis of the complaints made in some of the local areas in the midwest, a document which shows some of the complaints that were read. I would like to have permission to put that into the record, to make it an exhibit for reference.

The CHAIRMAN. Mr. Salinger, what is the source of the document you have?

Mr. SALINGER. This document, Senator, was turned over to me as part of the files of the Englander Co. that we requested. It is a copy of a letter on the stationery of the International Brotherhood of Teamsters, Warehousemen, and Helpers of America, 25 Louisiana Avenue NW., Washington, D. C. Signed by James R. Hoffa, chairman, Conference of Englander Locals, and J. J. Gibbons, acting director, national warehouse division.

The CHAIRMAN. This letter was taken from whose files?

Mr. SALINGER. The files of the Englander Mattress Co., Chicago, Ill.

The CHAIRMAN. The letter may be marked "Exhibit No. 36."

(The letter referred to was marked "Exhibit No. 36" for reference and will be found in the appendix on pp. 6575-6577.)

The CHAIRMAN. The witness may refer to the items of interest.

Mr. SALINGER. The letter is a report on the progress that the teamsters have been making in their negotiations with the Englander

Co. Included are a number of complaints from locals about conditions they feel are unfair to them. Several of these:

Dallas, Tex., and Kansas City, Mo., contend that there are inequalities between their plant and other plants in this same industry in their area. A request was made that a study be made of this problem.

Down below it says:

St. Louis, Mo., requests that something be done in connection with the low minimum rates.

This is an extension of the testimony this morning of the wage rates in the contracts of the Englander Co.

The CHAIRMAN. All right. Call the next witness.

Mr. KENNEDY. Mr. Hyman Powell.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. POWELL. I do.

TESTIMONY OF HYMAN POWELL

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. POWELL. Hyman Powell, 390 West End Avenue, New York City, secretary-treasurer of the International Jewelry Workers' Union.

The CHAIRMAN. Jewelry workers?

Mr. POWELL. That is correct.

The CHAIRMAN. Thank you very much.

Do you waive counsel, Mr. Powell?

Mr. POWELL. I do.

The CHAIRMAN. All right, Mr. Kennedy, you may proceed.

Mr. KENNEDY. How long have you been with the jewelry workers' union, Mr. Powell?

Mr. POWELL. Approximately 16 years.

Mr. KENNEDY. How many members do they have, the international?

Mr. POWELL. About 26,000 or 27,000 members.

Mr. KENNEDY. Most of them are centered in New York, are they?

Mr. POWELL. I would say the great majority of them.

Mr. KENNEDY. Do you have them in other areas?

Mr. POWELL. We have them throughout the United States and Canada.

Mr. KENNEDY. But the majority of them are in the East?

Mr. POWELL. In the East.

Mr. KENNEDY. How many of your 26,000 are in New York or that vicinity?

Mr. POWELL. About 13,000 are concentrated in the New York area.

Mr. KENNEDY. How long have you held the position of secretary?

Mr. POWELL. Approximately 10 years.

Mr. KENNEDY. Were you elected to that position?

Mr. POWELL. I was.

Mr. KENNEDY. How often are you reelected?

Mr. POWELL. Every 3 years we have a regular convention, at which time, by secret ballot, the officers of the international union are elected.

Mr. KENNEDY. Have you had any opposition in the past?

Mr. POWELL. I have had opposition almost on every occasion.

Mr. KENNEDY. When was the last time you were reelected?

Mr. POWELL. In 1956, I guess.

Mr. KENNEDY. Did you have opposition at that time?

Mr. POWELL. Yes; I did.

Mr. KENNEDY. Who was the opposition?

Mr. POWELL. A man by the name of Harry Spodich, the president of a silverware local.

Mr. KENNEDY. Mr. Powell, are you familiar with the organizational drive that your union had at the Autoyre Co. in Waterbury, Conn.?

Mr. POWELL. I am.

Mr. KENNEDY. When did that begin?

Mr. POWELL. In approximately November of 1955.

Mr. KENNEDY. Were you familiar, at the time that your organizational drive started in November of 1955, that the United Automobile Workers had been attempting to organize that plant since August of that year?

Mr. POWELL. I was not.

Mr. KENNEDY. As I understand it, there were some pickets that were sent out by the jewelry workers union.

Mr. POWELL. Well, what happened was, when we originally started to organize that plant, my people reported to me, my organizers did, that the area was predominantly UAW, which is United Automobile Workers, and that they had 18,000 members in a plant nearby—I think it was called Scoville Brass—and they had a few thousand members in a plant called Chase Brass. And, after they started their activities, the United Auto Workers then got busy, because they didn't want any other union to get a foothold in that area. They were running into a problem.

As a result, I suggested that they call a quick strike up there, that is, put pickets up there, organizational pickets, and see whether we could shut the plant down and get a contract.

Mr. KENNEDY. When was that that you sent the pickets up?

Mr. POWELL. That was about the early part of January 1957.

Mr. KENNEDY. At that time, had the company indicated to you that they wanted your union in there rather than the UAW?

Mr. POWELL. I had no conferences with the company.

(At this point Senator McClellan withdrew from the hearing room.)

Mr. KENNEDY. Had they indicated to you, either by telephone or otherwise, that they wanted your union in there rather than the UAW?

Mr. POWELL. No; they did not.

Mr. KENNEDY. They had not?

Mr. POWELL. They had not.

Mr. KENNEDY. As of that date they had not?

Mr. POWELL. That is correct.

Mr. KENNEDY. Where did these pickets come from that you sent up there?

Mr. POWELL. They were members of our international union, and they were organizers and local officials of different unions.

Mr. KENNEDY. How many pickets did you send up?

Mr. POWELL. I think there was about 30 or 40, probably, that went up.

Mr. KENNEDY. About 50 pickets?

Mr. POWELL. I would say between 30 and 50. I don't know the exact amount, but our records would indicate that.

Mr. KENNEDY. And did any of the employees of the plant serve as pickets?

Mr. POWELL. No; we did not have any of them.

Mr. KENNEDY. These were all outsiders that were sent up from New York and New Jersey?

Mr. POWELL. New York and Connecticut.

Mr. KENNEDY. Did you bring some over from New Jersey?

Mr. POWELL. No.

Mr. KENNEDY. Just New York?

Mr. POWELL. Yes, sir.

Mr. KENNEDY. Most of them were from New York City?

Mr. POWELL. That is correct.

Mr. KENNEDY. How did you transport them up there?

Mr. POWELL. By automobile.

Mr. KENNEDY. And then they stayed outside the plant. Did the management in the plant send their employees out when you arrived with your pickets?

Mr. POWELL. Well, we had practically all of the gates closed, and the people congregated outside, and we had arranged, at least my organizers had arranged, so they tell me, I wasn't there at the time, that they had taken a hall nearby where all of the workers were sent to and where they held a meeting.

Mr. KENNEDY. Did the officials of the company send the employees to the hall to be signed up?

Mr. POWELL. No; our people were standing right in front of the gate and, as the people came in to work, we suggested to them to go over to this hall.

Mr. KENNEDY. Did the officials of the company send the employees that already arrived in the plant over to the hall to be signed up?

Mr. POWELL. I don't know what they did, and I wasn't there.

Mr. KENNEDY. You did not have any conversations with them?

Mr. POWELL. No; I did not.

Mr. KENNEDY. Did they ever report to you, did the company officials report, or did your people, that this procedure was followed by the officials of the company?

Mr. POWELL. No; my people reported that they sent the people over to the union hall.

Mr. KENNEDY. You never heard that the company also sent people over there?

Mr. POWELL. No, sir.

Mr. KENNEDY. When was that? When did you send these pickets, these 30 to 50 pickets?

Mr. POWELL. Around the early part of 1956, I think, the early part of January.

Mr. KENNEDY. Now, were arrangements made to sign a contract with the company?

Mr. POWELL. Well, what happened at that time, and I am reporting what my organizer told me, a committee was elected at this meeting that took place among the workers and a group of workers went in with the organizers and met with management and they selected an impartial person who would conduct a card check. When manage-

ment was satisfied that we represented a majority of the people, they then entered into a contract with our union.

Mr. KENNEDY. How long after you sent the pickets up did that happen? Didn't it happen the same day?

Mr. POWELL. It happened later that afternoon.

Mr. KENNEDY. So the same day that you sent 50 pickets up from New York City to picket the plant, a contract was signed with management; is that right?

Mr. POWELL. That is correct.

Mr. KENNEDY. At the same time the United Automobile Workers had been attempting to organize the plant?

Mr. POWELL. Well, at that point, yes. One of the reasons for the picketing was that we knew, we as an international union with 23,000 people certainly were not in any position to enter into an organizational campaign bucking an organization that had 1 million people.

Mr. KENNEDY. Didn't you understand at that time that the company wanted to sign a contract with you rather than the UAW?

Mr. POWELL. No, I did not.

Mr. KENNEDY. When did you learn of that happening?

Mr. POWELL. I learned that they had signed that day.

Mr. KENNEDY. When did you learn that they were interested in keeping the UAW out and bringing your union in?

Mr. POWELL. As soon as that contract was signed, I think it was the following day or the day after, we were told that a petition for certification by the UAW was filed with the labor board in Boston.

I had spoken then to the labor relations man for the company and he indicated a preference to me, that he would prefer to deal with us.

Mr. KENNEDY. Who was that?

Mr. POWELL. A man by the name of Louis Becker, and I might point out that we have had contracts with this company for over 12 years. I am safe in saying at least 12 years, and we have gotten very decent contracts and very good contracts and very substantial benefits for our members and I do not think we ever had one day of industrial strife with them.

Mr. KENNEDY. Did the UAW bring charges before the National Labor Relations Board?

Mr. POWELL. No; they brought a petition for certification.

Mr. KENNEDY. Then what steps did you take after that?

Mr. POWELL. Well, I then sent a telegram to Mr. Maizy, and Mr. Walter Reuther, pointing out to them that we were parties to a no-raiding agreement and that we had a contract covering these workers, and if he felt that we did not belong there, or that we had signed any agreement that should not have been signed, we were prepared to meet with him and let the arbitration procedure under the no-raid pact be the guiding spirit, and that we would submit to arbitration under the AFL-CIO no-raid pact. So that we were pretty sure of our position at the time because were we not, certainly, no arbitrator would uphold us.

Mr. KENNEDY. Now, Mr. Charles Kerrigan was representing the UAW, was he not?

Mr. POWELL. Yes, sir.

Mr. KENNEDY. Did you make arrangements to meet with Mr. Kerrigan to see if he would withdraw his petition?

Mr. POWELL. I did.

Mr. KENNEDY. Did you meet with him personally?

Mr. POWELL. I met with him on two occasions.

Mr. KENNEDY. When did you meet with him?

Mr. POWELL. I met him immediately after the petition was filed and I subsequently——

Mr. KENNEDY. Where did you meet with him at that time?

Mr. POWELL. I met with him approximately the second or third week of January.

Mr. KENNEDY. Where?

Mr. POWELL. At the Essex House.

Mr. KENNEDY. Where?

Mr. POWELL. Phil Weiss' suite.

Mr. KENNEDY. Why did you arrange to meet in Phil Weiss' suite?

Mr. POWELL. I did not make the arrangements. What happened was, I know Phil Weiss and I know Charlie Kerrigan and I had met Charlie there before and I was going to ask Phil Weiss if he could use his influence with Charlie Kerrigan to get them to withdraw that petition.

Mr. KENNEDY. What does Phil Weiss do?

Mr. POWELL. I haven't any idea at all.

Mr. KENNEDY. You do not know what job he has?

Mr. POWELL. I haven't any idea.

Mr. KENNEDY. But you went to Mr. Phil Weiss' to see if he would use his influence with Kerrigan to get him or the UAW to leave the plant?

Mr. POWELL. That is right.

Mr. KENNEDY. You met up in Phil Weiss' apartment?

Mr. POWELL. To withdraw the petition.

Mr. KENNEDY. You met up in Phil Weiss' apartment?

Mr. POWELL. That is correct.

Mr. KENNEDY. What did Mr. Kerrigan say?

Mr. POWELL. He would check into the whole thing and he wasn't entirely familiar with it.

Mr. KENNEDY. You met with Mr. Kerrigan again?

Mr. POWELL. I met him subsequently, at his office.

Mr. KENNEDY. Did you again renew your request?

Mr. POWELL. I asked him at that time why his parent organization had ignored the telegram and why they were not prepared to sit down and have this thing handled by negotiations and if that failed, the no-raid pact ought to apply.

He said that he would check into that and he would call Detroit and he would be in touch with me.

Mr. KENNEDY. Who else did you see to have them talk to Kerrigan or try to bring pressure on Kerrigan?

Mr. POWELL. A man by the name of Goggi.

Mr. KENNEDY. Who is he?

Mr. POWELL. He is a labor relations man who was a former international representative for the United Auto Workers, and who had worked on Charles Kerrigan's staff.

Mr. KENNEDY. Who else?

Mr. POWELL. That is all I know of at the moment.

Mr. KENNEDY. Who else did you arrange either directly or indirectly to speak to Mr. Kerrigan about withdrawing from this plant?

MR. POWELL. I don't know of anybody else. I might have gone to my own attorney, whose partner's brother is a staff member of the UAW.

MR. KENNEDY. Did you go out to see Mr. Sidney Korshak?

MR. POWELL. I did. Right after that, I spoke to Mr. Becker.

MR. KENNEDY. Mr. Becker was working for whom?

MR. POWELL. For the Echo Co.

MR. KENNEDY. Did he have a position with the National Labor Relations Board?

MR. POWELL. I think he was the secretary or the executive secretary to the National Labor Relations Board. I asked him whether he, since he was indicating a preference at that point, could use any influence he might have had. He suggested to me that the next time I am in Chicago, I call him and we would sit down with his attorney and see whether anything could develop there.

I made it my business, and I especially went to Chicago and called him and asked him to arrange a meeting with his attorney. I met Mr. Korshak, who was the attorney, and I asked Mr. Korshak whether he could use his influence since he dealt with a lot of UAW people connected in the labor movement, to get the United Auto Workers to withdraw.

I think it is safe for me also to point out at this time that while we were trying to run all over the lot trying to get them to withdraw, the UAW was holding meetings in the plants where they had members and they were telling their members to speak to their relatives who worked in Autoyre and tell them to be loyal to the UAW and that type of thing.

MR. KENNEDY. Whom did you want, specifically, Mr. Korshak to speak to?

MR. POWELL. I wanted him to speak to everybody, but I mentioned to him Phil Weiss' name and I mentioned other names to him.

MR. KENNEDY. Why did you mention Phil Weiss' name to him?

MR. POWELL. I don't know. I would have mentioned it to anybody.

MR. KENNEDY. Who is this Phil Weiss, whom you don't know?

MR. POWELL. I mentioned it to Goggi, also, and I mentioned it to everybody because I felt that Phil Weiss had some influence with Kerrigan, and so whoever I spoke to and requested that they use their influence, I would mention that.

MR. KENNEDY. So you went out to see Mr. Korshak in Chicago and requested at that time that he speak to Phil Weiss?

MR. POWELL. And also speak to Kerrigan. I thought he might be able to speak to him.

MR. KENNEDY. Did he make arrangements to go east to speak to Kerrigan?

MR. POWELL. I don't know what he did and he told me that he would do what he can and made no commitments whatsoever.

(At this point, Senator McClellan entered the hearing room.)

MR. KENNEDY. Did he speak to Mr. Kerrigan, that you know of?

MR. POWELL. I subsequently found out that he met him for a minute or two.

MR. KENNEDY. Where did he meet him?

MR. POWELL. He was supposed to have met him in the Essex Hotel.

MR. KENNEDY. Again, in Phil Weiss' apartment?

Mr. POWELL. I don't know whether it was in there of his own apartment or where it was, but I know he met him in the hotel.

Mr. KENNEDY. What about Paul Dorfman, did you speak to Paul Dorfman about it?

Mr. POWELL. I did not.

Mr. KENNEDY. Do you know Paul Dorfman?

Mr. POWELL. Yes, sir; I do.

Mr. KENNEDY. What did he do in this?

Mr. POWELL. He didn't do anything.

Mr. KENNEDY. Was he spoken to about this?

Mr. POWELL. I don't think so.

Mr. KENNEDY. Did you ever hear his name mentioned in connection with it?

Mr. POWELL. No.

Mr. KENNEDY. What about Johnny Dio?

Mr. POWELL. I heard that he was supposed to do something.

Mr. KENNEDY. Who made arrangements for Dio to do something?

Mr. POWELL. I don't know.

Mr. KENNEDY. Well now, Mr. Powell, you know something about this, and you were working on it and you knew a couple of days ago about Mr. Dio.

Mr. POWELL. I knew a couple of days ago about Dio? I certainly did not.

Mr. KENNEDY. That Mr. Dio involved himself in this matter?

Mr. POWELL. I don't know. I never spoke to him.

Mr. KENNEDY. Who told you about Mr. Dio being interested in it?

Mr. POWELL. I never spoke to Mr. Dio about this matter.

Mr. KENNEDY. Who spoke to Mr. Dio for you?

Mr. POWELL. I don't know.

Mr. KENNEDY. How do you know Mr. Dio was involved at all?

Mr. POWELL. I heard this.

Mr. KENNEDY. Who told you?

Mr. POWELL. I had spoken to an investigator from your department.

Mr. KENNEDY. That is the first you heard of it, Mr. Powell?

Mr. POWELL. No; that is not the first I heard of it.

Mr. KENNEDY. Well——

Mr. POWELL. You hear rumors. You hear a lot of rumors, and I don't know exactly who I heard it from. But I heard he was interested in trying to get Kerrigan to withdraw.

Mr. KENNEDY. Why were you trying to get Dio, and Phil Weiss, and taking a trip to Chicago to see Korshak and all of this to get the UAW out of the plant?

Mr. POWELL. Let us get the record straight. I never tried to get Dio, and I never had any business with Dio and I never went to Dio with this thing and I never discussed this with Dio.

Mr. KENNEDY. Dio was brought in on the matter?

Mr. POWELL. I don't know that to be a fact and I heard that. I was not there and I did not discuss it with him and I could not testify to that.

The CHAIRMAN. When did you first hear it, Mr. Powell?

Mr. POWELL. Right about that same time. God Almighty, I must have spoken to 20 different people asking them to try to use their influence and we are a small international.

The CHAIRMAN. I understand that this was at the time.

Mr. POWELL. I beg your pardon?

The CHAIRMAN. All I wanted to establish was that you heard of it at the time that this was happening and not something of recent days or weeks. You heard of it at that time?

Mr. POWELL. Yes, sir.

The CHAIRMAN. You heard of it in a sense, at that time?

Mr. POWELL. Yes, sir.

Mr. KENNEDY. The company was also interested in achieving this result?

Mr. POWELL. Oh, yes.

Mr. KENNEDY. They were also doing whatever they could to try to get the UAW out?

Mr. POWELL. I assumed that; yes, sir.

Mr. KENNEDY. You had conferences with them; did you not?

Mr. POWELL. Yes. They said that they would try and they did not tell me how, and they did not tell me by what methods.

Mr. KENNEDY. Did you ever hear that they were contemplating offering some money to try to get the UAW out of the plant?

Mr. POWELL. Well, I discussed that with you, and I pointed out to you that I had discussed the first time I had heard anything like that was months after the company had moved to Chicago.

Now, I said at that time I did not know where I heard it and there was some talk about that and I said to my best recollection, I might have heard it for the first time from one of the men that is with your staff.

Mr. KENNEDY. You think that is the first time you heard of it?

Mr. POWELL. That is possible.

Mr. KENNEDY. Some 16 months later—16 months after it happened?

Mr. POWELL. I discussed that with them long before that.

Mr. KENNEDY. But you cannot remember who might have mentioned that to you?

Mr. POWELL. That is correct. I do not even know if anything like that was mentioned.

Mr. KENNEDY. Despite all of these efforts, Mr. Kerrigan remained interested in the plant, did he not?

Mr. POWELL. Yes; he did.

Mr. KENNEDY. And the National Labor Relations Board ordered an election?

Mr. POWELL. That is correct.

Mr. KENNEDY. And 4 days after the election was ordered the election was going to be between your union and the UAW and no union at all, and the plant moved from Connecticut—posted a notice and said they were moving: isn't that correct?

Mr. POWELL. That is right.

Mr. KENNEDY. Do you know Mr. Nathan Shefferman?

Mr. POWELL. Yes.

Mr. KENNEDY. What connection have you had with Mr. Shefferman?

Mr. POWELL. We have a firm under agreement called Simon Bros. in Chicago. They are watch-repair people, and Nathan Shefferman represented the employer and we negotiated a contract covering, I think, some forty-odd watch repairmen.

Mr. KENNEDY. Had Mr. Shefferman approached your union about pulling out of that plant?

Mr. POWELL. If I remember correctly, yes. He asked me if I couldn't forget about it, and I said, "Absolutely not."

Mr. KENNEDY. He had not asked you to come in there, had he?

Mr. POWELL. No, sir.

Mr. KENNEDY. He had not approached you about coming in?

Mr. POWELL. No; on the contrary, he asked us to get out, and we insisted upon a contract and we negotiated a contract.

Mr. KENNEDY. Did he ever make any offers to anybody?

Mr. POWELL. He did not, not that I know of.

Mr. KENNEDY. Or any of his representatives?

Mr. POWELL. I don't know whether there is an attorney by the name of Mr. Roth, whether he is a representative of his or not.

Mr. KENNEDY. Mr. Roth?

Mr. POWELL. He represented the company, I know, and my organizers in Chicago told me that he had made representations to them.

Mr. KENNEDY. That is all for now, Mr. Chairman.

The CHAIRMAN. Are there any questions?

Thank you very much.

Call the next witness.

Mr. KENNEDY. We are going into a new matter now, the Allstate Insurance Co., and I would like to call Mr. Henry Moser.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MOSER. I do.

TESTIMONY OF HENRY S. MOSER

The CHAIRMAN. Mr. Moser, state your name and your place of residence and your business or occupation.

Mr. MOSER. My name is Henry S. Moser. I live at 1214 Hull Terrace, Evanston, Ill., and I am senior vice president of the Allstate Insurance Co., of Skokie, Ill.

The CHAIRMAN. Do you waive counsel?

Mr. MOSER. Yes, sir.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. You have been with the Allstate Insurance Co. for how long, Mr. Moser?

Mr. MOSER. I was general counsel with the company since its origin in 1932, but part of the time I was involved also in the general practice of law, and I have held the office of vice president and general counsel from 1953 to 1957, and since February of this year I have been senior vice president of the company.

Mr. KENNEDY. Does the Allstate Insurance Co. have some relationship with the Sears, Roebuck Co.?

Mr. MOSER. It is a wholly owned subsidiary.

Mr. KENNEDY. Of the Sears, Roebuck Co.?

Mr. MOSER. Yes, sir.

Mr. KENNEDY. Now, in 1954, was there an organizational drive by the International Union, AFL, Insurance Agents?

Mr. MOSER. There was, in the State of Michigan.

Mr. KENNEDY. Did that involve your company, Allstate Insurance Co.?

Mr. MOSER. It involved the agents of our company.

Mr. KENNEDY. Did you bring in—or were Labor Relations Associates recommended to you?

Mr. MOSER. Yes, sir.

Mr. KENNEDY. By whom?

Mr. MOSER. Well, let me go back for just a minute, if I may, Mr. Kennedy, to say to you that notwithstanding we have been in business since 1932, in 1954 was the first time that we were confronted with the possibility of an organization of a portion of our agency force.

At that time we had no labor relations experts or men trained in that field in our company personnel. We were not familiar ourselves with problems of that character and when we got notice of a claim of representation of our men, we first naturally reported it to the parent company and after a talk with them and at their suggestion, we employed Labor Relations Associates.

Mr. KENNEDY. Who was it, specifically, that recommended them? Do you know?

Mr. MOSER. I think it was Mr. Caldwell.

Mr. KENNEDY. Did they send representatives up to work at your company? Did Labor Relations Associates do that?

Mr. MOSER. They sent a representative, at least one that I know of, to Michigan during the pendency of the drive and the hearings on the appropriateness of the unit and the election.

(At this point Senator Goldwater returned to the hearing room.)

Mr. KENNEDY. Did you have a meeting with Mr. Shefferman in his office prior to the time the representative came up?

Mr. MOSER. We did, sir.

Mr. KENNEDY. And then the representative came up. What was his name?

Mr. MOSER. The representative that went to Michigan?

Mr. KENNEDY. Yes.

Mr. MOSER. Fred Wheeler.

Mr. KENNEDY. Fred Wheeler?

Mr. MOSER. Right, sir.

Mr. KENNEDY. For how long a period of time did he remain there?

Mr. MOSER. It is my understanding that he stayed there throughout the—from the commencement through the election period. That ran from April 1954 through, I think, October 1954.

Mr. KENNEDY. While he was there, did he form a vote “no” committee?

Mr. MOSER. Well, I can tell you how it was formed. I don’t want to characterize it as his forming it. Do you want the facts about it?

Mr. KENNEDY. All right.

Mr. MOSER. It is my understanding that the first thing that Mr. Wheeler did was to attempt to ascertain for us what was the cause of the difficulties. We prided ourselves in the years of our existence of a relationship of trust and confidence between our employees and supervisory force. Apparently the communications lines had broken down in the State of Michigan. There was some irritation on the part of our agency people, and their irritations were not coming back to the home office. We found that it was due to the fact that the assistant sales managers in the State of Michigan—we had, I think, some 10 men, each of whom were assigned to help and assist some 7, 8, or 10 agents, who, in turn, were working under a sales manager—

had, to some extent, lost the confidence of the agency men, were attempting to conduct their matters through dictatorial, autocratic fashion, rather than through a method of confidence.

So the first thing that Mr. Wheeler did was to get at the bottom of that situation for us. He conferred with our assistant sales managers and attempted to bring them back into line so that their handling of men would be in accord with company policy. In the course of that situation, some discussion was had as to which of our men who had been an agent with us for a long while would feel or would be more likely to feel constrained to be perfectly satisfied with the way the company was operating. After some suggestions as to who that might be——

Mr. KENNEDY. Let's go back a second. Wasn't he also finding out whether the agents were for or against the union while he was up there?

Mr. MOSER. I think that was one of the things that he was doing, Mr. Kennedy, in addition to that, in addition to the things that I outlined for you. That was one of the reports that he was getting back from our assistant sales managers from time to time.

Mr. KENNEDY. Didn't he go to Mr. Johnson of the All-State Insurance Co. and obtain from him the name of somebody whose sentiments would be against the union?

Mr. MOSER. That is right. I was just coming to that.

Mr. KENNEDY. Was that name furnished to Mr. Wheeler?

Mr. MOSER. Yes, sir.

Mr. KENNEDY. And was there a vote "no" committee formed?

Mr. MOSER. We learned afterwards that a vote "no" committee was formed; yes, sir.

Mr. KENNEDY. Who was the agent who headed up the vote "no" committee?

Mr. MOSER. An agent in Flint, Mich., by the name of Jack Carrerras, who had been with us for some 18 years. I think 15 at that time.

Mr. KENNEDY. Did that vote "no" committee print up literature?

Mr. MOSER. There was literature printed and distributed.

Mr. KENNEDY. Who paid for that?

Mr. MOSER. I cannot tell you that, sir, because I do not know.

Mr. KENNEDY. You do not have that information?

Mr. MOSER. No, sir; I do not.

Mr. KENNEDY. But it was distributed by this committee that was formed by Mr. Wheeler?

Mr. MOSER. It was distributed under that name, and I assume it was distributed by the committee.

Mr. KENNEDY. Mr. Moser, while Mr. Wheeler was up there, he spent considerable amounts of money; did he not?

Mr. MOSER. I think so.

Mr. KENNEDY. While he was there, for this 6 or 7 months, he spent a total of \$27,393.22.

Mr. MOSER. That is not all expenditures, Mr. Kennedy. We paid that much, but that sum was not all expended by Mr. Wheeler; \$13,000 of that was for services of Labor Relations Associates, and I suppose that somebody spent it after we paid a fee. But that was not all spent in connection with this matter.

Mr. KENNEDY. I was going to break it down: \$13,000 of it was for that, and then the rest was for expenses while Mr. Wheeler was up there?

Mr. MOSER. That is right, sir.

Mr. KENNEDY. Could you tell the committee where all that money went, what it was being used for?

Mr. MOYER. No, sir; I cannot. I can tell you where part of it went, but the rest of it I cannot tell you.

Mr. KENNEDY. Did you try to get a breakdown as to how this money was being spent?

Mr. MOSER.. No, Mr. Kennedy. I should say to you, for your information, that that was not an unusual or distinctive practice so far as we were concerned. We approved many bills in 1953, prior to that time, and 1954 and 1955 of what I would term, perhaps, professional people for disbursements or expenses incurred, without asking for itemization. For the benefit of the committee, I had our accounting department pick out a number of typical such bills. I have them here before me.

Mr. KENNEDY. I don't think that answers the question as to whether you knew where this money was going and, if you did know where the money was going, will you tell the committee. That is what I am trying to find out. There were large sums of money charged to guest expenses, looking at the record, and sundries.

Mr. MOSER. We never received any bills for guest expenses and sundries, Mr. Kennedy. We got a bill from Labor Relations Associates each month. I think on one occasion the month was skipped and we thereafter got a bill for 2 months. They were for services rendered for the month and for disbursements during the month. Those were the only bills that we received and the only bills that we paid. Sundries and guest expense are new terms to me. They never appeared upon our invoices or upon our bills.

The CHAIRMAN. Mr. Moser, let me see if I understand this. You would get a bill each month, and in one instance you got a bill for 2 months, for services rendered. Did it show the amount of fee?

Mr. MOSER. Yes, sir.

The CHAIRMAN. It would show the amount of fee for that month?

Mr. MOSER. Yes, sir.

The CHAIRMAN. And then it would say for disbursements?

Mr. MOSER. Right.

The CHAIRMAN. Just a blanket amount, disbursements?

Mr. MOSER. A blanket amount.

The CHAIRMAN. What was the fee per month?

Mr. MOSER. The fees ranged from—I think the first bill we got covered 2 months and was for \$4,800 for services and \$1,808 for disbursements during that 2-month period. The next bill we got—

The CHAIRMAN. The disbursements were in no way broken down?

Mr. MOSER. They were not, Senator.

The CHAIRMAN. So you didn't have the information, at least of record, as to what the disbursements were for?

Mr. MOSER. That is correct, sir.

The CHAIRMAN. But that was regarded as expense, or expenditures, over and above the fee?

Mr. MOSER. Right, sir.

The CHAIRMAN. And you got no breakdown on it?

Mr. MOSER. We got no breakdown. As I indicated to you, that was not uncommon in our operation.

Mr. KENNEDY. Maybe you could read the rest in. I would like to get it for the fee and the disbursement for each month.

Mr. MOSER. I will be happy to. Suppose I give you the fees first, and then the disbursements. That is the way I happen to have them broken down on my sheet of paper.

The CHAIRMAN. Give us the fees for each month.

Mr. MOSER. The first bill, I think, was dated April 30, and contained an item for services of \$4,600. The next bill was June 6, and was for \$1,700.

The CHAIRMAN. Services \$1,700?

Mr. MOSER. Right, sir. July 23, services, \$1,050; August, services, \$1,900.

The CHAIRMAN. \$1,900?

Mr. MOSER. \$1,000.

The next 2 months, I think, were lumped in 1 bill, but broken down by months. August, \$2,850; September, \$800. Then there was a bill in December for \$100. The total of that, Senator, is \$13,000. The disbursements were as follows:

April 30, the disbursements were \$1,808.42; May, \$77.41; June, \$967.36; July, \$1,822.87; August, \$2,648.65; September, \$1,407.70; October, \$2,860.30; and December, \$2,162.

The total disbursements were \$23,693.22.

The CHAIRMAN. That varies a little from the total here. They have a total of \$27,393.22.

Mr. MOSER. \$26,693.22. I would be very happy to look for the difference, if it is important, Senator.

The CHAIRMAN. It is not that important, but I do notice the variation.

Taking your records or our records, the expense involved did not involve the fee.

Mr. MOSER. That is right.

The CHAIRMAN. And there is no breakdown as far as your records are concerned, for the disbursements?

Mr. MOSER. No, sir.

Mr. KENNEDY. Was he entertaining the agents, and things like that, while he was up there? Was that part of his job?

Mr. MOSER. I don't know, Mr. Kennedy, the extent of entertainment that Mr. Wheeler did, whether that money was for entertainment of money or expenses in connection with his meeting with our supervisory force up there. I cannot tell you what it was for. We assumed, when you break the thing down over a period of 6 months, that it ran about \$2,000 a month. Here was a man away from home. We assumed it covered his railroad fare, his hotel, his meals, his telephone expense, but what other items were included, I cannot tell you.

Mr. KENNEDY. In September it is \$1,000 a week. Even a man away from home is doing very well. Do you treat all your—

Mr. MOSER. May I call your attention to the fact that—I don't know what the date of that election was in October. His September bill was \$1,407.70. That is about \$400 a week, isn't it, or \$300 a week?

Mr. KENNEDY. I thought you said \$1,400.

The CHAIRMAN. The bill in October was \$2,860.30.

Mr. MOSER. Right, sir.

The CHAIRMAN. So it was running pretty high at that time.

Senator McNAMARA. That was against fees of \$800 that month. There is quite a contrast.

The CHAIRMAN. There was an \$800 fee in September. Apparently for October, it was all expense and disbursements. Do you have any fee for October?

Mr. MOSER. I didn't give you one. Let me check and see. Our statement for October merely says disbursements for month of October \$2,860.30. Whether any portion of that was for fees or not, I do not know. It was not broken down that way. I gave you the figure as we had it.

The CHAIRMAN. As I checked your figures, there was no report from you for a fee for October, but the expense was \$2,880.30.

Mr. MOSER. Yes, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. Was any of this money, to your knowledge, given to any individuals up there?

Mr. MOSER. Yes, sir. We know, of our own knowledge, that in December of 1954, some time after the election, \$2,000 was paid to Mr. Carrerras to reimburse him in part, or we thought entirely, for what we thought he lost by way of income for not being able to produce business while he was devoting some time in expressing his views on the union problem to his brother agents throughout the State.

Mr. KENNEDY. Who made those arrangements for the \$2,000?

Mr. MOSER. We understand that at the time Mr. Johnson spoke to him, early in March, he was told—he was asked first what his views were on our problem, and he indicated that he was perfectly satisfied with the company, that he was earning nearly \$20,000 a year, he was in profit-sharing, and hoped that by the time he would retire he could get as much, perhaps, as a quarter of a million dollars, out of Sears profit-sharing plan, that he wanted no part of any union, that he had discussed the matter with some of his agents at Flint and they felt the same way about it.

Mr. KENNEDY. I understand that he did not want to have a union, that he was legitimately against unions. I am not inquiring into that. What I asked you about was the \$2,000 payment. How was that arranged?

Mr. MOSER. At the time he indicated his willingness to carry his views to his agents, he was told he would not lose any money by virtue of loss of production time. When the matter was all over, he spoke to either Mr. Wheeler, or one of our men, or one of our branch managers, and indicated or pointed out that he had not been paid for his loss of production time. The matter was then reported to the home office. We should say to you that that was the first time we knew of the promise. But at any rate, we concluded to keep it.

We made as best a determination as we could as to how much he lost in earnings by virtue of having devoted his time in the efforts of this committee.

Mr. KENNEDY. Who made that study?

Mr. MOSER. It was made by our personnel department, and I think by our man who was in charge of branches at that time. I can give you the basis of the computation if you so desire.

Mr. KENNEDY. Maybe you could give it to Mr. Salinger after the hearing.

Mr. MOSER. I would be very happy to do it.

Mr. KENNEDY. Did you pay him the \$2,000 in view of the fact that this was an entirely proper expenditure? As I understand your statement, did you pay him directly for it?

Mr. MOSER. No, sir; we did not.

Mr. KENNEDY. How did you arrange it?

Mr. MOSER. None of us at the home office had had any discussions with Mr. Carrerras about the situation theretofore. Our payroll department was handled out of Michigan. We had a new manager at that time. After some consideration, we concluded that the better way to handle it would be to let Labor Associates pay him, bill us, and we would pay Labor Relations Associates, and that is the way it was handled.

Mr. KENNEDY. I don't understand why it should be handled in that way, if it was a perfectly legitimate transaction. You made a study to find out how much he was entitled to. Why didn't you just pay him the \$2,000?

Mr. MOSER. Mr. Kennedy, looking back in retrospect, I think it was a mistake for us to have handled it that way. We are frank to admit to you that having it to do over again, we probably should have and would have issued the check directly. All I can say to you is that that is the way we did it, and in retrospect I think we should have paid the check directly.

The CHAIRMAN. What it actually amounts to is that you paid \$2,000 to him to have him work against organization of the plant?

Mr. MOSER. I don't think that is quite an accurate description, Senator.

The CHAIRMAN. Well, if he was spending time in that operation, losing time from his normal work, losing salary or commission, whatever it was, if he was doing that, then he was not producing for the company in his regular employment. His production for the company during the time he lost was production of sentiment against union organization. Therefore, this was paid for work to oppose the union organization.

Mr. MOSER. Well, I suppose it might be characterized that way. I might say to you, Senator—may I tell you how I look at it?

The CHAIRMAN. You may, but I find it difficult to characterize it any other way, if you put it in its proper perspective.

Mr. MOSER. Let me tell you how we concluded. Of course, it is your privilege to characterize it any way you see fit.

The CHAIRMAN. I know we all sometimes have different opinions.

Mr. MOSER. Here was a man who was working on a commission basis. We felt honestly, as he felt honestly, that unionization was a bad thing for him and a bad thing for the company. He spent away, according to our best estimates, and all we had were estimates, 30 days, or 5 hours a week, conveying his views to the other agents. We figure he wrote that many policies less. If he had devoted his time to writing policies, he would have earned at least \$2,000 more than he did. We wanted to reimburse him for that \$2,000.

The CHAIRMAN. I think that is correct. There is no question about that. But as a proper charge on your books, if you apply it to services

rendered, and undertake to identify the services, it was not for getting you business; it was not for earning commission, but it was for the time spent in opposing the organization of the plant.

Mr. MOSER. I think that that is probably true, Senator. It is similar to reimbursing Mr. Carrerras for vacation time when he takes off. We reimburse him. We figure out how much he would have sold during vacation and we pay him.

If he is ill, we make the same kind of computation and we pay him. In this, he took off time, both for his own personal beliefs and company beliefs and, thereupon, we did the same thing.

The CHAIRMAN. I am not questioning that. But if he was drawing a salary and this was reimbursement for salary, you could not charge it to wages.

Mr. MOSER. Well, I am not an accountant.

The CHAIRMAN. Neither am I.

Mr. MOSER. You have had much more experience in those respects than I have, Senator, and I bow to your judgment.

The CHAIRMAN. I doubt that I do. I do not have any. I just look the thing in the face and see what it looks like and I name it according to my vision and judgment. I believe that is what it amounts to.

Mr. MOSER. We try to do the same thing, sir.

The CHAIRMAN. Thank you.

Mr. KENNEDY. If he was on vacation, you would pay him the money; is that right?

Mr. MOSER. Yes, sir.

Mr. KENNEDY. And if he was ill?

Mr. MOSER. Yes, sir.

Mr. KENNEDY. And if he was working against the union you would pay him?

Mr. MOSER. Yes, sir.

Mr. KENNEDY. What if he was working for the union?

Mr. MOSER. No, sir; we would not. I do not think the union paid him when he was working for the union, Mr. Kennedy. We would not have paid him a sou.

Mr. KENNEDY. It would seem the way these checks were handled, going to what we were discussing before, it would appear anyway, and I think you will agree, there was an effort to hide the transaction, instead of just paying the \$2,000 as you would pay him if he were sick or on vacation, but the two \$1,000 checks were made out to Mr. Fred Wheeler, of Labor Relations Associates and he, in turn, deposited that in a bank account and made out a check for \$2,000 to cash and then that \$2,000 in cash was turned over to Mr. Carrerras.

Mr. MOSER. Mr. Kennedy, I should say to you in the complete sincerity that the knowledge of these two \$1,000 checks and the deposit in Mr. Wheeler's bank account was as new to us as it was to you when you first learned of it. I think, as I said to you in retrospect, we would have been much better off had we issued a check directly. We issued this check to Mr. Shefferman's company. We assume that it might well be paid by check. We had no knowledge of that, of the payment in cash at all.

Mr. KENNEDY. But you were the one that started it off. You certainly started off by paying two \$1,000 checks.

Mr. MOSER. No, sir; we did not do any such thing. We did not draw two \$1,000 checks, Mr. Kennedy.

Mr. KENNEDY. How did you start it off originally?

Mr. MOSER. We told Mr. Wheeler that we wanted Labor Relations Associates to pay the \$2,000 and to bill us for it. We got a bill. We paid the bill to Labor Relations Associates.

The CHAIRMAN. In that bill, was it identified?

Mr. MOSER. No, sir; it was just marked "disbursements."

The CHAIRMAN. Covered up with just the word "disbursement"?

Mr. MOSER. It was disbursements.

(Members of the select committee present at this point were Senators McClellan, McNamara, and Goldwater.)

Mr. KENNEDY. It was listed on Mr. Wheeler's weekly report as guest expense.

Mr. MOSER. I did not prepare Mr. Wheeler's report and I must disclaim any responsibility for how he listed it.

Mr. KENNEDY. Then the Shefferman office, after that money was paid to him, made out these two \$1,000 checks to Fred Wheeler, who turned around and put them in a bank account and then made another \$2,000 check to cash and the money was then turned over to Mr. Carrerras. It was a complicated transaction.

Mr. MOSER. I did not draw those checks, nor did I have any knowledge of those checks, nor did anybody in our company have any knowledge of those checks.

Mr. KENNEDY. You know that the transaction was not being handled just by making a check, a simple check out, \$2,000 to Mr. Carrerras, as it could have been?

Mr. MOSER. I know that; yes, sir.

Mr. KENNEDY. Who made the decision to handle it in that way, or the fashion it was handled?

Mr. MOSER. I think it was made by the head of our personnel department and I was then vice president in charge of branches.

Mr. KENNEDY. Who finally won the election?

Mr. MOSER. The Allstate Insurance Co.

Mr. KENNEDY. What was the vote?

Mr. MOSER. Fifty-four to thirty-nine.

Mr. KENNEDY. Against the union?

Mr. MOSER. Against the union.

The CHAIRMAN. You considered the money well spent; did you not?

Mr. MOSER. I considered it very well spent, sir.

Senator McNAMARA. Incidentally, in connection with the money being well spent, this was between \$25,000 and \$30,000 that you spent to prevent some 93; what was that total number of employees in Michigan?

Mr. MOSER. Ninety-three voted and I think there may have been a few that did not vote, somewhere around there.

Senator McNAMARA. You think the expenditure of between \$25,000 and \$30,000 to prevent 93 employees from joining a union was money well spent?

Mr. MOSER. Well, Senator, I think as you know, these men were not working for pittance. The average earnings of our agents is nearly \$10,000 a man. The average earnings of our agents who work for us for more than 10 years was nearly \$19,000 per year, in addition to having every benefit that a Sears employee has, including profit sharing.

Here was a typical agent with a profit-sharing interest of \$50,000 who had a contract upon retirement, who had illness allowance, who had all of Sears' benefits and we think that the union could have contributed nothing to those men. We felt so then and we feel so now.

Senator McNAMARA. Tell me this: You say that you think the money was well spent, and you made that statement and I am just repeating your words.

Mr. MOSER. Yes, sir.

Senator McNAMARA. To prevent 100 employees from joining the union. All right. Since you pay them from 10 to 20 thousand dollars and they are going to get up to a quarter of a million dollars profit-sharing if they stay a normal length of time, what do you think inspired them to try to develop a union under such circumstances?

It does not make sense, does it, to you or to me?

Mr. MOSER. I don't know what inspires all people and, I think some may be inspired honestly and legitimately. But I sat in this hearing room this morning and I heard how some employees were inspired to join the union, Senator McNamara.

Now, I make no charges as to what happened in this transaction, but these 93 men are now earning far in excess of what they earned in 1953 and 1954. I say to you we have a very happy family.

I say to you, too, that this was our only experience. We have had only one labor election since. We had no vote "no" committee. We did not use Labor Relations Associates in that one and we won it by a larger majority. In 25 years of reaching the point where we are probably 1 of the 2 largest insurance companies in the United States, those were the only experiences we had, which indicates, at least to my mind, a pretty good personnel program.

Senator McNAMARA. You are talking about something else. My question to you was, What do you think inspired your people who were so well off to want to have a union?

Mr. MOSER. Part of it, Senator, was due to a breakdown of communications that I mentioned before, of an irritating manner of an assistant sales manager in handling these men. He became dictatorial in his manner, contrary to public policy.

Senator McNAMARA. You mean company policy?

Mr. MOSER. Contrary to company policy. That created an unjustifiable sense of insecurity.

Now, whether that was fanned by people from the outside coming in and endeavoring to organize them, we know that the attempt to organize was not theirs alone, or the men's alone, but there were a good number of outsiders who contributed to that. I want to say this to your question, that Labor Relations Associates, despite the fact that I do not approve of their payment of some of these items in cash the way they did it, did a fine job so far as discovering for us this breakdown in communications and improving and correcting something which never should have existed in the State at all.

Senator McNAMARA. I think that you made that quite plain.

Now, you mentioned that this Jack Carrerras did not get paid when he worked for the union. You imply he worked for the union?

Mr. MOSER. No, sir; I said that the union did not pay Jack Carrerras and we did not pay any of the people who were working for them.

Senator McNAMARA. You are not implying he worked for the union?

Mr. MOSER. No.

Senator McNAMARA. I did not get your point.

Mr. MOSER. Let me see if I can make it clear.

The CHAIRMAN. What you are saying, as I understand it, is that the union did not pay the men you had working against the union and you did not pay the union men who were working for the union.

Mr. MOSER. Exactly, Senator; that is right.

Senator McNAMARA. At the time that this drive was going on to organize the employees of Allstate, was it not a fact that there was a drive to organize insurance agents generally in Michigan and this was just part of an overall drive?

Mr. MOSER. Not at all, sir.

Senator McNAMARA. This was just a drive on your company?

Mr. MOSER. In the history of this insurance business, there has only been one class of agents organized and those are debit agents of industrial insurance companies. There has never been any attempt to organize the agents of casualty or fire companies, or life companies that are in the general life business and distinguished from industrial business.

I knew of no campaign in 1954 or any other time in Michigan, to organize the insurance companies generally.

Senator McNAMARA. Prior to 1954 there was an organization of insurance salesmen in the city of Detroit. I do not know so much about the rest of the State. By 1954, it was well established.

Mr. MOSER. Those were debit men solely, for the most part, people who call at homes and collect 5 or 10 or 15 or 25 cents a week for life insurance. It has nothing to do with our character of business. We are not in that business and never have been and there was no attempt at any time to organize agents such as ours that I know of in the State of Michigan.

Senator McNAMARA. That is all. Thank you.

The CHAIRMAN. Mr. Moser, the purpose of course, as you understand, of this inquiry is this: I can appreciate the feeling of management when they feel there should not be organization and they feel sometimes justly and maybe other times not, that a union would not benefit either the company or the men.

But the question arises here, and this is the way it appears to me, of whether this is a legitimate expense of that practice or those tactics, whether it would be a proper practice to have the sanction of law or should it be prohibited by law.

I am sure the Congress in considering legislation will want to give consideration to whether the use of money for the purpose of fighting a union in this fashion is a legitimate expense of the business and is deductible under the income-tax laws and so forth.

Mr. MOSER. Are you asking for my views?

The CHAIRMAN. No; I am pointing up a problem.

Mr. MOSER. I appreciate your problem fully, Senator, and we want to help and cooperate in any way we can.

The CHAIRMAN. You have been very frank in your testimony and I want to express my appreciation to you for it. What I want to point up for the record is that this committee is trying to get facts and trying to get the practices that now prevail.

We want to evaluate them and weigh them in the light of what is proper and what is improper to keep the balance between union and management in its proper sphere.

Mr. MOSER. I think it is a very commendable effort and one badly needed.

The CHAIRMAN. Thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. Wheeler, please.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth so help you God?

Mr. WHEELER. I do.

TESTIMONY OF FRED B. WHEELER, ACCOMPANIED BY HIS COUNSEL, STANFORD CLINTON

The CHAIRMAN. State your name and your place of residence and your business or occupation.

Mr. WHEELER. My name is Fred B. Wheeler, my residence is 733 Highland Avenue, Glen Ellyn, Ill. I am consultant with Labor Relations Associates at 75 East Wacker Drive.

The CHAIRMAN. How long have you been employed by Labor Relations Associates?

Mr. WHEELER. Since 1946.

The CHAIRMAN. You have counsel with you, Mr. Clinton.

Mr. WHEELER. Yes, sir.

Mr. CLINTON. My name is Stanford Clinton. I am a lawyer and my offices are at 134 North La Salle Street, Chicago, Ill.

Mr. KENNEDY. If it is all right, Mr. Salinger will handle this witness.

The CHAIRMAN. All right, Mr. Salinger, proceed.

Mr. SALINGER. How long have you been employed by Labor Relations Associates?

Mr. WHEELER. Since 1946.

Mr. SALINGER. Generally, what type of work do you do for LRA?

Mr. WHEELER. Most of my work has been in a consulting capacity to management attempting to develop better relationship between the management of the company and the employees working largely with representatives of the top management and supervision.

Mr. SALINGER. During the year 1954, were you assigned by Mr. Shefferman to work in relation to the Allstate Insurance Co.?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. And what was the problem that the Allstate Insurance Co. had?

Mr. WHEELER. There was a breakdown in relationship some place along the line and I was to find out what it was and make recommendations to correct it.

Mr. SALINGER. Did you go to Detroit, Mich., in regard to this matter?

Mr. WHEELER. Yes, sir.

The CHAIRMAN. When you speak of a breakdown in relationship, was that related solely as you found it, or as you understood it at the time that you undertook your assignment, a breakdown in the sense that there was an effort to organize the employees?

Mr. WHEELER. No, not only that, no, sir.

The CHAIRMAN. Now, in addition to that?

Mr. WHEELER. There was a felling that had not existed before because there had always been, from what I understood, and not having been there before but they told me that there had always been a fine relationship between all of the agents and the management of that particular office.

Then, at some point, as had already been stated, one of the assistant management people did become dictatorial, causing people not to want to work in the places that they had been working, under his supervision.

That indicated that something was wrong.

The CHAIRMAN. Let us get the record straight. Had the organizational drive already started when your agency was retained or your services were retained?

Mr. WHEELER. I am sure it had, to some extent at least.

The CHAIRMAN. All right, proceed.

Mr. SALINGER. When you got to Detroit, Mr. Wheeler, did you contact certain supervisors in following up on your work?

Mr. WHEELER. Yes, sir. I worked with all of those in the Detroit area, in the branch office and in the regional office or area offices.

Mr. SALINGER. Did you inquire as to the union sympathies or the company sympathies of the agents through these supervisors?

Mr. WHEELER. Yes, I did, as time went on.

Mr. SALINGER. Did you ask Mr. Johnson, the Detroit manager of the Allstate Insurance Co. to suggest someone who might head up a vote "no" committee?

Mr. WHEELER. In the course of the conversation, both with Mr. Johnson, the Detroit office man, and the area man, I found that there were a number of people who were opposed to joining the union and did not want to. As a result of that, I asked Mr. Johnson what he knew about it and who did he feel felt that way, and which ones and what would be done next.

Mr. SALINGER. Did Mr. Johnson recommend someone to you to head up a vote "no" committee, specifically?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. Whom did he recommend to you?

Mr. WHEELER. Mr. Jack Carrerras.

Mr. SALINGER. He was an agent in Flint, Mich.?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. Did you subsequently go to Mr. Johnson to see Mr. Carrerras?

Mr. WHEELER. Yes, sir, subsequently.

Mr. SALINGER. And Mr. Carrerras formed a committee?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. He formed a committee?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. Did you suggest to Mr. Carrerras that he and some other agents might go to Detroit and consult with an attorney relative to the work of this committee?

Mr. WHEELER. I suggested that they might need counsel.

Mr. SALINGER. Who was to pay for the cost of this counsel?

Mr. WHEELER. That was left at the time, because certainly I gave no indication.

Mr. SALINGER. Who did pay for it?

Mr. WHEELER. The company paid for it.

Mr. SALINGER. The company?

Mr. WHEELER. I mean Allstate.

Mr. SALINGER. Allstate paid the attorney?

The CHAIRMAN. Directly or did you pay it and were reimbursed?

Mr. WHEELER. Indirectly, sir.

The CHAIRMAN. Let me see about that "indirectly." You paid it as a part of the expense or the disbursements that you billed the insurance company for; is that correct?

Mr. WHEELER. It was paid in that manner; yes, sir.

The CHAIRMAN. That is what I mean, just like this man's salary was paid here, Carrerras? You simply paid for the attorney to advise the vote "no" committee, Labor Relations Associates paid for it.

Mr. WHEELER. I am quite sure that is correct, sir.

The CHAIRMAN. Then you just submitted a bill, reimbursement so much, and you were reimbursed for it, or your company was?

Mr. WHEELER. That is right; yes, sir.

Mr. SALINGER. Now, following the campaign, and following the election, did you have any conversation with anyone relative to paying some money to Mr. Jack Carrerras?

Mr. WHEELER. I will have to back up just a bit. The first time that Mr. Johnson talked with Mr. Carrerras it was indicated by Mr. Johnson to Mr. Carrerras that he would get nothing for any efforts that he expended, but that he would not lose anything.

Mr. SALINGER. It was agreed that if he took time off from his work, he would be reimbursed for this, for working for this antiunion committee?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. So arrangements were made for you to pay Mr. Carrerras; is that right?

Mr. WHEELER. I am sorry.

Mr. SALINGER. Arrangements were made for you to pay Mr. Carrerras?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. Let me ask you this: Prior to the time we are talking about, this repayment to Mr. Carrerras for losing time for working for this antiunion committee, had you given other sums of money to him?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. About how much?

Mr. WHEELER. I have not figured it up, but he used a considerable amount of money in traveling around the State, meeting with the various agents, having dinner with them, and I reimbursed him for those expenditures.

Mr. SALINGER. Would you show those expenses on your daily report? What would those be shown as?

Mr. WHEELER. Entertainment.

Mr. SALINGER. You show them as entertainment?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. Would you say it was more or less than \$1,000 that you gave Mr. Carrerras in this manner?

Mr. WHEELER. That is a very difficult question because my recollection as to the specifics, I would think that it was that or more.

Mr. SALINGER. \$1,000 or more?

Mr. WHEELER. I would think so.

Mr. SALINGER. Now, this is exclusive of this transaction where you were to give him the money for his reimbursement at the end of the campaign; is that right?

Mr. WHEELER. Yes, sir.

The CHAIRMAN. The money you gave him at the end of the campaign, as I understand it, was handled in this fashion: Two checks of the same date, December 13, 1954, in the amount of \$1,000 each, were issued to you by Labor Relations Associates?

Mr. WHEELER. Yes, sir.

The CHAIRMAN. I present to you those two checks and ask you to identify them.

(Documents were handed to the witness.)

The CHAIRMAN. Can you tell us why 2 checks were made instead of 1?

Mr. WHEELER. I don't know that. These are the checks; yes. Those are mine.

Mr. SALINGER. You deposited those checks in your account?

The CHAIRMAN. Those checks may be made exhibits 37-A and 37-B.

(The documents referred to were marked "Exhibits Nos. 37-A and 37-B" for reference, and will be found in the appendix on pp. 6578-6579.)

Mr. SALINGER. Did you subsequently withdraw any money from your account?

Mr. WHEELER. \$2,000.

Mr. SALINGER. How was that handled? Did you write a check to cash?

Mr. WHEELER. Yes, sir.

The CHAIRMAN. Is this the check referred to?

(A document was handed to the witness.)

Mr. WHEELER. Yes, sir.

Mr. SALINGER. I have in front of me your weekly report for the week of December 13 to 17, 1954.

The CHAIRMAN. The check for \$2,000, made payable to cash, may be made exhibit No. 38.

(The document referred to was marked "Exhibit No. 38" for reference, and will be found in the appendix on p. 6580.)

Mr. SALINGER. And, on December 14, 1954, you show guest expense in the amount of \$2,015.50.

The CHAIRMAN. I present to you what appears to be photostatic copy of travel expense reports you made to Labor Relations Associates, Inc., and will you examine that and identify it, please?

(A document was handed to the witness.)

Mr. WHEELER. I identify it.

The CHAIRMAN. That may be made exhibit No. 39.

(The document referred to was marked "Exhibit No. 39" for reference and will be found in the appendix on p. 6581.)

The CHAIRMAN. I note there you show that \$2,000 of the \$2,015 item, dated on that date, was taken out by you in cash.

Mr. WHEELER. Yes, sir.

The CHAIRMAN. How did the money reach Mr. Carrerras?

Mr. WHEELER. I gave it to him.

The CHAIRMAN. By check or in cash?

Mr. WHEELER. In cash.

The CHAIRMAN. You gave it to him in cash. All right.

Mr. SALINGER. Mr. Wheeler, what was the purpose of this rather complicated way of getting this \$2,000 to Mr. Carrerras?

Mr. WHEELER. I don't think that there is a very good explanation for it. It was merely the manner in which we decided to handle it at the time.

Mr. SALINGER. Was it an effort to conceal the transaction?

Mr. WHEELER. No; I would not say necessarily. Well, an effort to conceal it from whom?

The CHAIRMAN. From anyone.

Mr. WHEELER. Well, that was not within my understanding. I could not answer for the decision that was made in handling it that way, as was mentioned earlier.

Mr. SALINGER. Let me ask you this: When I questioned you in Chicago originally on this transaction and asked you about the \$2,000, did you tell me that the money had gone to Mr. Carrerras?

Mr. WHEELER. No, sir. I don't believe the question was raised, to my recollection. At that time I did not know what type of questions were going to be——

Mr. SALINGER. I asked you specifically about the \$2,000 item on this date, and I asked you what that money had gone for. Did you tell me at that time that you had spent it for entertainment?

Mr. WHEELER. I believe I did; yes, sir.

Mr. SALINGER. In fact, it had not gone for entertainment, but had gone to Mr. Carrerras; is that right?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. So on that occasion you were trying to conceal the transaction; is that right?

Mr. WHEELER. I will say I was merely inaccurate. I couldn't remember all the things at the time.

Mr. SALINGER. You couldn't remember that you had given the \$2,000 to Mr. Carrerras on that occasion?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. Mr. Wheeler, at any other time have you formed a "vote no" committee?

Mr. WHEELER. Once.

Mr. SALINGER. Where was that?

Mr. WHEELER. Indianapolis.

Mr. SALINGER. The name of the company?

Mr. WHEELER. H. P. Wasson & Co.

Senator McNAMARA. I have a question on the Detroit situation.

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. Did I understand you to say that you secured the services of an attorney in Detroit to help you out on the handling of this affair?

Mr. WHEELER. To whom the members of this committee could go for counsel; yes, sir.

Senator McNAMARA. You secured the attorney for the committee?

Mr. WHEELER. LRA did.

Senator McNAMARA. Well, you, as the LRA agent?

Mr. WHEELER. No; not me, personally.

Senator McNAMARA. Then this was handled by the Chicago office?

Mr. WHEELER. Yes, sir.

Senator McNAMARA. Do you know how many members you had in this so-called committee? Did you have anybody besides Jack Carrerras?

Mr. WHEELER. With whom I worked directly? He took it from there.

Senator McNAMARA. As far as you know, he was a committee of one?

Mr. WHEELER. No.

Senator McNAMARA. There were more than one?

Mr. WHEELER. There were more than one.

Senator McNAMARA. Do you know the second one?

Mr. WHEELER. I mean there was more than one person on the committee, Senator.

Senator McNAMARA. That is what I am referring to. How many people were there?

Mr. WHEELER. There were several. It went from 5 to 10 to 12. It varied, as they were able to get away from their work to go to meetings.

Senator McNAMARA. Do you know the name of another man who was on the committee?

Mr. WHEELER. No, sir; I do not.

Senator McNAMARA. As far as you know, there was this one man and you think there were others?

Mr. WHEELER. Yes. I know there were others.

Senator McNAMARA. Who was the attorney that your company hired in Detroit that worked for you?

Mr. WHEELER. I am sorry. I didn't hear you.

Senator McNAMARA. Do you know who the attorney was?

Mr. WHEELER. Yes; Brenner & Schwartz.

Senator McNAMARA. Brenner & Schwartz?

Mr. WHEELER. Yes, sir.

Senator McNAMARA. Thank you. That is all.

Mr. SALINGER. Following up a minute on Senator McNamara's questions, this committee for Allstate put out literature; is that right?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. Did you write the literature?

Mr. WHEELER. No; not all of it. I may have helped from time to time.

Mr. SALINGER. Did Mr. Carrerras write any of it?

Mr. WHEELER. I think it was a matter of sometimes working together, and more, though, than anyone else, it was the attorney.

Mr. SALINGER. Who distributed this literature?

Mr. WHEELER. Well, whoever the attorney gave it to.

Mr. SALINGER. Who paid for the cost of printing it?

(The witness conferred with this counsel.)

Mr. WHEELER. Well, eventually Allstate did.

Mr. SALINGER. In other words, did you pay for it and then bill it to Allstate?

Mr. WHEELER. Sometimes; or it may have been included in the attorney's fees.

Mr. SALINGER. Or it may have been included in the attorney's fees?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. Getting back to the H. P. Wasson Co., is that the H. P. Wasson Co. of West Washington Street, Indianapolis, Ind.?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. During 1953, did you set up a vote "no" committee there?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. The record of disbursements made to Mr. Shefferman's firm by the H. P. Wasson Co. shows that a total of \$12,013.66 was spent during the year 1953 by LRA people in Indianapolis. Can you tell me what some of that money went for?

Mr. WHEELER. I was in Indianapolis for some time prior to the formation of the committee. I worked closely at that time with top management, but more closely with the various buyers and supervisors throughout the store, and, as it developed later, with a number of the people.

Frequently, we would meet after the store closed. We would have dinner in groups of 3, 4, 8, and we did that quite frequently.

Mr. SALINGER. Your daily reports show a number of items of \$100 or \$125 for committee expenses. Is that what you are referring to?

Mr. WHEELER. Yes, sir. Either the supervisors calling them loosely as a committee—

Mr. SALINGER. The expenses of the vote "no" committee?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. Who suggested to you in the Wasson company who should be on the vote "no" committee?

Mr. WHEELER. Well, in that case, that was most completely my own, because I had been there and worked with the people long enough to know some of the people, and also to get ideas from some of the supervisors.

Mr. SALINGER. At the Wasson company, did you also set up what we happen to know as rotating committees?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. What is the purpose of these rotating committees?

Mr. WHEELER. To give the employees an opportunity to sit with a representative of management to discuss any problems, situations, that are on their minds.

Mr. SALINGER. Are these rotating committees used to detect employees that were in favor of the company or those that were against the company?

Mr. WHEELER. No, sir.

Mr. SALINGER. They are not used at all for that purpose?

Mr. WHEELER. They are not used for that purpose.

Mr. SALINGER. We have had a number of witnesses here, including Mr. Bachman of your firm, who said that is the purpose they were used for.

Mr. WHEELER. That is not my experience, and particularly not at Wasson.

Mr. SALINGER. You never used them for that purpose?

Mr. WHEELER. Not at Wasson's; no.

Mr. SALINGER. And on this vote "no" committee, at Wasson's, because of your prior experience you were able to pick out the employees yourself?

Mr. WHEELER. Well, as I say, with the suggestions of the supervisors.

Mr. SALINGER. And the expenses were paid by you and charged to the Wasson company?

Mr. WHEELER. What expenses there were; yes, sir.

Mr. SALINGER. Did you ever give any money to members of the vote "no" committee at the Wasson company?

Mr. WHEELER. Not within my recollection at all.

Mr. SALINGER. Did you reimburse them for any out-of-pocket expenses, or anything like that?

Mr. WHEELER. No, sir; not within my recollection; I did not.

Mr. SALINGER. So you say most of this \$12,000 went into entertainment?

Mr. WHEELER. Entertainment, travel. There were other people down there.

Mr. SALINGER. Who was there besides you?

Mr. WHEELER. John Schorr, two men who are no longer with us. One was, I believe, Sy Burrows. I believe Mr. Patterson was there.

Mr. SALINGER. Mr. Nathan Shefferman was also there during that thing?

Mr. WHEELER. Yes, sir.

Mr. SALINGER. Besides the Allstate company and the Wasson company, do you recall any other place you have set up a vote "no" committee?

Mr. WHEELER. No, sir. I cannot recall any other place where I set up a vote "no" committee.

The CHAIRMAN. If there are no further questions, thank you very much.

The committee will stand in recess until 10:30 tomorrow morning.

(Members of the select committee present at time of recess: Senators McClellan, Goldwater, and McNamara.

(Whereupon, at 4:30 p. m. the select committee recessed to reconvene at 10:30 a. m., Thursday, October 31, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, OCTOBER 31, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10:30 a. m., pursuant to Senate Resolution 75, agreed to January 30, 1957, in the Caucus Room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Pat McNamara, Democrat, Michigan; Senator Barry Goldwater, Republican, Arizona.

Also present: Robert F. Kennedy, chief counsel; Pierre E. G. Salinger, investigator; Walter Sheridan, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will come to order. Call the next witness.

Mr. KENNEDY. Mr. George Mennen, Mr. Chairman.

Mr. CHAIRMAN. Mr. Mennen, come forward, please.

Will you be sworn, please, sir? You do solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MENNEN. I do, sir.

TESTIMONY OF GEORGE MENNEN, ACCOMPANIED BY HIS COUNSEL, JAMES L. R. LAFFERTY

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. MENNEN. My name is George Mennen. My place of residence is 61 Grover Lane, West Caldwell, N. J. My occupation is vice president in charge of manufacturing at the Mennen Co.

The CHAIRMAN. Thank you very much. Mr. Mennen, do you have counsel with you?

Mr. MENNEN. I do, sir.

The CHAIRMAN. Counsel, will you identify yourself?

Mr. LAFFERTY. My name is James L. R. Lafferty. My office is 24 Commerce Street, Newark, N. J.

The CHAIRMAN. Thank you very much.

Mr. Mennen, I understand you have a prepared statement you wish to read.

Mr. MENNEN. Yes, sir.

The CHAIRMAN. Counsel advises it was submitted within the rules.

Mr. LAFFERTY. I beg your pardon. I am afraid we did not submit it within the rules. We submitted it last night to committee counsel, but I am asking leave for Mr. Mennen to read it.

The CHAIRMAN. The only purpose of the rule, as the Chair has said before, is so that we may know in advance about it, and we will not permit a statement to be read into the record that is improper, and which has no relevancy. But the statement has been examined by the staff and there is no objection to it. You are quite welcome to read it.

Mr. MENNEN. Yes, sir. My name is George Mennen. I am vice president in charge of manufacturing for the Mennen Co., of Morristown, N. J. It is my understanding that this committee is seeking ways to build intelligent and constructive legislation for the future by careful and minute examination of past practices of both labor and management. I sincerely hope that the recounting of our experiences will be of help to this committee—and ultimately every citizen of this great country.

I believe your understanding will be greatly aided if I may be permitted to take a few minutes to tell you some important facts about the Mennen Co. They may reveal to you our basic motives for the actions we have taken in matters relative to this committee hearing.

By American business standards, we are a relatively small business. Our complete offices and manufacturing operations are in a modern building in Morristown which we built and occupied 4 years ago. Our total plant working force, at its peak, has never gone beyond 291 employees; and, taking seasonal fluctuations into account, we have averaged less than 200. Our annual sales volume is approximately \$25 million.

We are proud to be numbered among the many American businesses which clearly typify this country's opportunities and freedom of enterprise. The Mennen Co. is family owned and family operated. It was started some 80 years ago by my grandfather, Gerhard Mennen, who came to this country from Germany at the age of 15 to seek opportunity.

My grandfather started his career by doing odd jobs in a Hoboken apothecary shop, worked his way through night school to gain a degree in pharmacy, and got a job as a prescription clerk in a Newark drugstore. Not content to be just a clerk, he experimented and developed Mennen's Sure Corn Killer. To sell his product, he hired a banjo player and a horse and wagon, went about the city peddling his merchandise.

His next venture was a superior type talcum powder for babies, and he was even credited with introducing the first tin powder can which would allow the user to sprinkle powder from a perforated top. The list of products bearing the Mennen name grew, and by two's and three's, the number of people who worked for the company grew.

My grandfather died, and for a while my grandmother ran the company. Today, the president of the company is William G. Mennen, my father. My brother, Bill Mennen, Jr., is executive vice president, and I am vice president in charge of manufacturing. We are the family members who have the responsibility of running the business of the Mennen Co. from day to day.

The stock in our company is owned by other members of the Mennen family as well—my 2 sisters, my aunt, my 3 cousins who include, as you know, Gov. G. Mennen Williams, of Michigan. We are, as individuals, and as a company, deeply proud of our record and we try to be good citizens as individuals as well as a company.

Back in the depression, my father and his sister contributed a sum of money to build a large dormitory at Cornell University where he was educated, and in the intervening years my father has devoted countless spare-time hours collecting a library of rare books which he has given to Cornell. Just last spring my brother Bill contributed a substantial sum which made possible the complete restoration of Old St. Luke's Church in Smithfield, Va., America's oldest church—now a national shrine for people of all denominations.

(At this point Senator Goldwater entered the hearing room.)

Mr. MENNEN. It is obvious that with such a small group of employees, we are bound to be very close to them. There is no need to contrive an artificial feeling of friendliness—we spend the greater part of our waking hours under the same roof.

President, vice president, department manager, and machine operator can be found every day eating together and relaxing at coffee breaks in our attractive plant cafeteria. Without feeling the least bit self-conscious, we confess that there is a feeling closely akin to a family relationship among our coemployees on all levels.

It is manifestly apparent also that if we are fair and aboveboard with our employees we all can gain. As a matter of fact, it would be impossible to be otherwise in such a small and close-knit group.

Finally, we are concerned with the welfare of the community in which we operate, and where our people live. The Mennen Co., within the last 15 months, has run a bicycle safety program in schools, culminating in a safety parade with 4,000 mothers, fathers, and children on hand. The Mennen baseball diamond provides a much-needed facility for the local Babe Ruth Baseball League. Last summer 15,000 members of local families enjoyed a concert and fireworks display on the Fourth of July—and dozens of civic ventures count on support from the Mennen Co.

A business can have a "personality" as well as an individual. I recount these typical examples of our behavior so that this committee can gain an insight into the motives and traditions that govern our actions. We believe these actions demonstrate our awareness of our obligations to our employees, our community, our industry, and our country.

Further, this brief background on the Mennen Co. and the Mennen family has an important bearing on the events which have culminated in this hearing today.

Certain of these events—and perhaps the ones which are of most interest to this committee—should, it seems to me, be highlighted at this point. The details will be filled in later. I might add in addition to what is written here, sir, that none of these originate particularly with your committee. They are matters of public print in general. These events include:

1. The linking of the Mennen Co. with the name of one Nathan Shefferman in the public print.

2. The implication, again in public print, that the Mennen Co. had been guilty of union busting.

3. The implication—and I am not sure that I have seen this in print, or whether it is something our friends have told us is rumored—that the Mennen Co. had been a party to a payoff or had been guilty of collusion or bribery in attempting to settle any union difficulties.

With reference to No. 1—Nathan Shefferman—I want to say that he was and is completely unknown to us personally.

Labor Relations Associates has been retained by the Mennen Co. on two different occasions, and an agency now known as Personnel Advisory Service is currently retained by the Mennen Co. The reasons we engaged this firm and the details of our relations with them will be given you later.

It may be of interest to you that the total amount of money paid to Labor Relations Associates by the Mennen Co. between May 1953 and April 1957 was \$16,112.92. Of this total sum, \$14,550 was for services and \$1,562.92 was for disbursements.

Our total payments to Labor Relations Associates averaged only \$335.69 per month. Originally our payments to Labor Relations Associates were made through our counsel, because he wished to exercise authority over these services. Later these payments were made by the Mennen Co. direct to Labor Relations Associates. Photostatic copies of the bills and checks of payment have been furnished to your investigators.

At no time during the entire relationship between the Mennen Co. and Labor Relations Associates has Nathan Shefferman participated in the conferences with or had correspondence with the Mennen Co. So far as the Mennen Co. is concerned in this respect, the only persons known as employees or associates of Labor Relations Associates are: Louis Jackson, Ohre, Rhodes, Brayfield, and Lewis. To this day, neither I nor any executive of the Mennen Co. nor, so far as I know, any employee of the Mennen Co. has ever had any contact with Nathan Shefferman.

With respect to No. 2—the implication that we have engaged in union busting—this is not true. In the few cases where unfair labor practice charges have been filed against the Mennen Co., each of those proceedings was administratively dismissed after investigation by the National Labor Relations Board.

In 1953, James Graham, a Mennen employee, discussed with us what relief was available to employees during a period when some of the employees wanted to be represented by the Chemical Workers Union at a time when the union headed up by Johnny Dioguardi—United Automobile Workers, AFL—was not servicing the union contract for which the employees' dues were being checked off.

We told him that a petition for deauthorization was the only remedy available at that time under the applicable laws. On July 21, 1953, a deauthorization petition was filed by Graham.

His attorney was one suggested by our counsel and his—Graham's—counsel fees in that proceeding were paid by the Mennen Co. We did not regard this action of ours at that time, nor do I now consider it, as an attempt to break a union.

If you will realize that our company is a small family business, that the number of plant employees averages, as I said before, less than 200,

that we know them all personally—join them in our plant cafeteria for meals and at coffee breaks—and from time to time lend them money for family emergencies, you will understand that there seems nothing unusual in providing counsel fees for an employee who was seeking relief for himself and his fellow employees from what they regarded as an intolerable situation.

In the spring of 1954, at the expiration of the contract with the United Automobile Workers (AFL), the NLRB granted the petition of the Chemical Workers for an election. As required by law, the ballot permitted a vote for either of the two unions or for "no union." The result was 4 votes for United Automobile Workers, 49 for the Chemical Workers, and 117 for no union.

With regard to No. 2—the implication of bribery—I would like to tell you the details of that as nearly as I can reconstruct them from memory.

During the organizational strike in 1951, we received a call from the organizing union as a result of which we went to the union headquarters in New York and met a man who introduced himself as Mr. Zackman, president of the union, and one or two others. They suggested that we go out for coffee.

We went with them to a hotel one or two blocks away from the union offices, somewhere on the west side of Manhattan, and in the hotel one of them asked us if we would like to have this strike favorably settled at an early date. We said "Yes," and they suggested that a payment of around \$15,000 would result in a settlement. We promptly rejected the proposal and left the conference.

You may ask me why we did not report such an attempt at extortion. My answer is that this suggestion of a payoff, although clearly recognizable to us as such, was merely a thinly veiled suggestion and something that could not have been proved. I mention this now, because I want this committee to know everything that we know about the events under discussion.

I realize that the three points I have mentioned are not given here in full detail, or in chronological order. This information will be supplied this committee.

I should like to add that on behalf of the Mennen Co., we welcome the opportunity to give the facts of this matter to your committee—because they show how a business firm, operating in good faith, can find itself dealing with racketeers under the guise of labor organizations. The facts show also how employees may be victimized by unscrupulous racketeers, under present laws, apparently without means of relief other than those employed.

The CHAIRMAN. This chronological summary, if you desire, may be printed in the record, or do you wish to read it?

Mr. MENNEN. I don't think it is necessary.

The CHAIRMAN. It may be printed in the record at this point.

(The summary referred to is as follows:)

CHRONOLOGICAL SUMMARY

1. In the summer of 1951, a union calling itself local 102 of the United Automobile Workers (AFL) began organizing the Mennen Co. employees, under the leadership of a man named Zackman. In August 1951 there was an organizational strike in the company's warehouse at South Kearney which employed about 40 men. The strike forced the closing of the production plant at Newark which employed about 150.

2. No demands were presented to the company, but Zackman offered to call off the strike and the organizing campaign if the company would pay him off. The proposal was rejected and no payment of this kind to any person was ever made.

3. The strike continued, but a new union representative, named John Dioguardia, showed up to deal with the company. Dioguardia said he deplored Zackman's effort to extort money from the company and that Zackman was dishonest and had been fired from local 102. Dioguardia said he wanted nothing but a fair contract.

He made contract demands, and after some negotiating, a contract covering the warehouse employees was signed. The union then proceeded to organize the production workers and a contract covering the Newark plant was signed 2 months later. Dioguardia signed one in November 1951 as secretary-treasurer of the union, and the other in February 1952 as president.

4. The contracts contained a 10-cent-an-hour wage increase and many fringe benefits for the employees.

5. In 1952 Dioguardia announced that the number of the local at the Mennen plant was to be changed to local 649. He said local 102 would henceforth organize New York taxicab drivers.

6. Long before the strike, the company had been planning to consolidate its operations in a new plant at Morristown. There was no question of any intent to run away from the union. The new plant was located only 19 miles from the old one, and the contract and all employees who wanted to stay with the company went along to the new location.

7. About this time the criminal activities of Dioguardia were revealed in the newspapers. It became apparent that local 102 was Johnny Dio, and Johnny Dio was a racketeer. Dio's place was taken by Joseph Curcio and George Baker as union representatives. Both these men were indicted recently in New York for withholding information from a Federal grand jury.

8. Meanwhile the situation in the plant went from bad to worse. No service was given to the employees by the union, although the company was bound by its contract to check off dues. The exposure of racketeering in the union caused great discontent among the employees.

9. In March of 1953 a jurisdictional fight developed. A group of employees joined the Chemical Workers (AFL) and the chemical union petitioned the NLRB for bargaining rights. Local 649, through one Abe Goldberg, a business agent, demanded that the employees who joined the chemical workers be fired. The company refused. Local 649 struck, but the strike was a failure, and local 649 filed unfair labor practice charges against the company. These charges were dismissed by the NLRB.

10. In the spring of 1954, at the expiration of the contract with local 649, the NLRB granted the petition of the Chemical Workers for an election. As required by law, the ballot permitted a vote for either of the two unions, or for no union. The result was 4 votes for local 649, 49 for the Chemical Workers, and 117 for no union.

In an effort to improve its personnel policies, the company retained, for a month or two in 1951, and again commencing May 1953, a New York firm of labor relations counsel known as Labor Relations Associates, headed by one Louis Jackson, with offices at 21 East 40th Street. This firm was retained after a check was made with other employers who gave a favorable report on its record and services.

The company noted that the firm appeared to be associated with another such agency in Chicago headed by Nathan Shefferman, but it knew nothing about Shefferman.

When Shefferman figured in testimony this year before the Senate committee, the company suspended its relations with Labor Relations Associates, and notified Jackson that it would have nothing further to do with him as long as he had any connection with Shefferman.

Jackson subsequently established his own firm, known as Personnel Advisory Service, and informed the company he had terminated all association with Shefferman and the Chicago firm, and was operating independently. Personnel Advisory Service was again retained on this assurance.

The CHAIRMAN. The Chair will make this statement for the record: I notice you say here you welcome the opportunity to get these facts to the public. As I understand your statement, the three charges or—What do you term them?

Mr. MENNEN. They are just things that have come out in public print, sir.

The CHAIRMAN. Rumors or charges.

I do not understand that any of that emanated from this committee, any statement that the committee has made or a member of the staff.

Mr. MENNEN. I attempted to point that out.

The CHAIRMAN. We have brought no charges. In the attempt to investigate the matter, throughout, with the information we received earlier about Mr. Shefferman's operation, your company came into the picture when we found out that you had been a client.

I don't think any statement has been given out by anyone on this committee or any member of the staff that reflected on your company in any way. The first that it came to my attention was when I received a letter from Governor Williams about it, saying that he felt now that it should be brought out, that it should be developed here before this committee.

Mr. MENNEN. We appreciate that.

The CHAIRMAN. But it was not a case of the committee being out after your company. It just came about in the course of its ordinary work. The request has come from one of your stockholders that it be placed on the record in public hearing. That is the effect. That was the tone of his letter.

Mr. MENNEN. Right, sir.

The CHAIRMAN. Thank you very much.

All right, Mr. Counsel, proceed.

Mr. KENNEDY. You retained Mr. Louis Jackson of Labor Relations Associates back in 1951, Mr. Mennen?

Mr. MENNEN. That is correct, sir.

Mr. KENNEDY. He came in at that time to make some personnel survey, did he?

Mr. MENNEN. No, sir. At that time he came in to appraise the situation of the organizational strike, and to appraise for us the situation as it occurred in the warehouse where the organizational strike was taking place.

Mr. KENNEDY. Was that an organizational strike by 102 of the UAW-AFL?

Mr. MENNEN. Yes, sir.

Mr. KENNEDY. And he came in to give you some advice on that, to appraise that situation?

Mr. MENNEN. Yes, sir.

Mr. KENNEDY. How did you happen to come across Mr. Louis Jackson or Labor Relations Associates?

Mr. MENNEN. Exactly, sir, I cannot tell you. The recommendation came to our personnel manager at the time through, I imagine, his personnel manager's association group. We, as you know, or as we told your investigators, had used a number of people, and they were one of a number of people which we had used.

Mr. KENNEDY. Did you call him in or retain Mr. Jackson and Labor Relations Associates again in 1953?

Mr. MENNEN. Yes, sir.

Mr. KENNEDY. What was that? What was that about?

Mr. MENNEN. Well, that was basically, sir, to strengthen our personnel department. As I pointed out to you in my statement before,

we are a small company, and we can't afford a large specialized personnel department. With the situation depreciating as it was, with the various factions present, the net result to us as management was a breakdown in our work. We knew it was through personnel weaknesses. We called in Mr. Jackson to audit the services being rendered by our personnel department, and help us correct them and bring them up to standards.

Mr. KENNEDY. So it was in connection with the personnel department that you called him back in?

Mr. MENNEN. That is correct, sir.

Mr. KENNEDY. Did he have anything to do with the union at that time, local 102, or 649, as it must have been called then?

Mr. MENNEN. Basically, no; I would say this: Where you are dealing in personnel, and you have personnel problems that come up, the union might certainly have gotten into it. But his basic purpose was not that.

Mr. KENNEDY. I understand that during 1953, there was a deauthorization petition by certain of the employees in your plant?

Mr. MENNEN. That is correct, sir.

Mr. KENNEDY. Did Mr. Jackson have anything to do with that?

Mr. MENNEN. No. He was there at the time, I believe. He was working with our personnel department at the time, but he did not have anything to do with it as such.

Mr. KENNEDY. He did not have anything?

Mr. MENNEN. No, sir.

Mr. KENNEDY. He wasn't the one that suggested?

Mr. MENNEN. No, sir.

Mr. KENNEDY. He did not. He never made any statement that the way that this should be handled must be kept a secret, and it would have to appear to be a spontaneous thing by the employees?

Mr. MENNEN. Not so I would know, sir.

Mr. KENNEDY. What?

Mr. MENNEN. Not so I would know, sir.

Mr. KENNEDY. Who would know in your plant that that took place? You never heard of that?

Mr. MENNEN. No, sir.

Mr. KENNEDY. After the deauthorization petition was filed, as I understand it, there was a strike in 1953 by Mr. Dio?

Mr. MENNEN. That is correct. Well, I don't think Mr. Dio. I think at that time he was in prison.

Mr. KENNEDY. Well, then, by Mr. Baker and Mr. Curcio?

Mr. MENNEN. I believe the strike was called by a chap named Abe Goldberg.

Mr. KENNEDY. Abe Goldberg?

Mr. MENNEN. Maybe my counsel can help me out on that.

Mr. KENNEDY. There is an official by that name. The employees went out on strike, and as I understand, it was an illegal strike, was it not?

Mr. MENNEN. It was, sir.

Mr. KENNEDY. And 50 or so of the employees that went out at that time were not rehired because they violated the contract?

Mr. MENNEN. That is correct.

Mr. KENNEDY. Then there was an effort, as I understand it, at the end of 1953 to bring in a new union by some of the employees, the chemical workers union?

Mr. MENNEN. That was prior to that time, sir.

Mr. KENNEDY. The strike, as I understand it, was around July or August of 1953.

Mr. MENNEN. It was August of 1953 and I believe that the chemical workers first filed their petition for recognition in the spring of 1953.

Mr. KENNEDY. Then it continued through the time of the strike and after the strike, as I understand it, through 1953 until 1954?

Mr. MENNEN. I think counsel can answer that better than I can.

Mr. KENNEDY. Will you check with counsel on what the records show. I believe the election was held in April of 1954.

Mr. MENNEN. May of 1954.

Mr. KENNEDY. And the election was held in May of 1954 and the chemical workers had requested the election back in the spring of 1953 and so their efforts continued through the year of 1953 into the first part of 1954.

Mr. MENNEN. That is right, sir.

Mr. KENNEDY. At that time, or during that period of time, was Mr. Jackson active in the plant? Was he still doing work out there?

Mr. MENNEN. Yes, sir.

Mr. KENNEDY. Had he made arrangements to have a survey taken among the employees during this period of time or right after the strike?

Mr. MENNEN. There was a survey taken, sir, whether it was immediately after the strike, I don't know. But that was not in relation to the strike.

Mr. KENNEDY. What was the purpose of that survey?

Mr. MENNEN. If I recall the purpose of that survey—I hate like the dickens to speak from memory, sir—in our attempts to keep close to our help, we have run numerous surveys and I would not want to swear to this statement, but I believe that particular survey that was run in the spring of that year was to find out from our various employees what their various goals and aspirations were, and how they felt they fitted into their present job.

Mr. KENNEDY. Were you trying to gather any information as to how they felt about the union?

Mr. MENNEN. Oh, no, sir.

Mr. KENNEDY. You were not doing anything like that?

Mr. MENNEN. No, sir.

Mr. KENNEDY. Were there any cards kept? We have had some testimony on cards that were kept by some companies, 3 by 5 cards, which would be marked as to how an employee felt about the company or felt about the union.

Mr. MENNEN. Gee, I am sure not, sir, because I did not conduct the survey personally myself, and the purpose of it was not to find out how the employees felt about the company and the union, so I would certainly suspect that those cards were not kept. If they were, I certainly did not see them.

Mr. KENNEDY. You never heard about the cards?

Mr. MENNEN. No, sir.

Mr. KENNEDY. Now, going on to another matter, we have had some testimony about so-called rotating committees. Did you have any ro-

tating committees at the Mennen Co. during this period of time when the chemical workers were trying to come into the plant?

Mr. MENNEN. We had our rotating safety committees; and when you say "rotating," you mean committees on which different people serve on with each meeting. That is correct; our safety committee was set up on that basis.

Mr. KENNEDY. Had Mr. Jackson suggested that?

Mr. MENNEN. I believe he did.

Mr. KENNEDY. Was the purpose of the rotating committee, or one of the purposes of the rotating committee, in addition to finding complaints against the company, to find those who were for or against the union?

Mr. MENNEN. No, sir.

Mr. KENNEDY. That did not have anything to do with that?

Mr. MENNEN. I would like to correct one thing, sir. You said in addition to finding complaints about the company. This was a safety committee. We are very proud of its record as a safety committee.

Mr. KENNEDY. So it had nothing to do with finding out whether people were for the company or for the union?

Mr. MENNEN. Certainly it was not organized for that.

Mr. KENNEDY. Did it do that, or perform that service?

Mr. MENNEN. As far as I know, no, sir.

Mr. KENNEDY. It did not?

Mr. MENNEN. No.

Mr. KENNEDY. Did Mr. Jackson ever suggest to the company that a vote "no" committee be set up?

Mr. MENNEN. No, sir.

Mr. KENNEDY. He never made such a suggestion?

Mr. MENNEN. No, sir.

Mr. KENNEDY. Did you hear Mr. Shefferman's name? I notice in your statement you did not know much about Mr. Shefferman. Did you hear Mr. Shefferman's name discussed by Mr. Jackson?

Mr. MENNEN. The only time I heard Mr. Shefferman's name, or saw it, we got a Christmas card one year from the Chicago office, and we saw his name at that point. As far as I know, that is the only time, sir.

Mr. KENNEDY. Mr. Shefferman never came to the plant?

Mr. MENNEN. Never.

Mr. KENNEDY. Mr. Shelton Shefferman never came to the plant?

Mr. MENNEN. He never came, sir. We have never seen the gentleman.

Mr. KENNEDY. Were there any layoffs of any people after the chemical workers lost the election in 1954? Were there any layoffs of any individuals because of the fact that they had favored the union?

(At this point Senator McNamara entered the hearing room.)

Mr. MENNEN. No, sir. In the first place, I don't know who favored the union and who didn't, so that could be no basis for layoff. All of our layoffs have always been in strict accord with the seniority clause that was in our union contract.

We have followed that at the time the union was there and we have always followed it since.

Mr. KENNEDY. We have had some testimony about efforts that can be made where you find an employee undesirable because of the fact

he might be for the union, that efforts are made to find causes for laying them off. Was any of that done at your company?

Mr. MENNEN. It couldn't be, sir, because we lay off in accord with seniority.

Mr. KENNEDY. None of that was done?

Mr. MENNEN. No, sir.

Mr. KENNEDY. Now, the company themselves and the officials of the company were against the chemical workers coming in there; were they not?

Mr. MENNEN. I wouldn't say so necessarily. Let me answer that question this way, sir:

We as a company are the whole group of both officials and employees and what our employees wanted in that regard was what they were going to get, sir. We naturally appreciated the tremendous vote of confidence they gave us in this NLRB supervised vote and we considered it quite a compliment, but if they had voted in the chemical workers, the chemical workers, they would have had.

Mr. KENNEDY. I understand that, but did you attempt to influence them at all against the chemical workers or tell them you were against the chemical workers?

Mr. MENNEN. No, sir.

Mr. KENNEDY. You did not?

Mr. MENNEN. No, sir.

Mr. KENNEDY. I wonder, Mr. Chairman, if I could call Mr. Oldenburg. I would like to ask him some questions. He was in the company at the time.

The CHAIRMAN. Let me get one thing clear before you do that.

What was the name of the union you referred to as Johnny Dio's union?

Mr. MENNEN. That was the United Automobile Workers, AFL, local 102, to start with.

The CHAIRMAN. Was that the local that was in New York?

Mr. KENNEDY. Yes.

Mr. MENNEN. It later became local 649. You will see in the chronological report, sir, it was converted to a taxicab union, I believe, and they switched our local to 649.

The CHAIRMAN. Had they unionized your plant some years before?

Mr. MENNEN. Our plant was unionized in 1951, the end of 1951.

The CHAIRMAN. This was this 102?

Mr. MENNEN. Yes, sir.

The CHAIRMAN. One of Johnny Dio's controlled locals?

Mr. MENNEN. That is correct.

The CHAIRMAN. Did you know at the time of his connection with it, at the time your plant was unionized?

Mr. MENNEN. He came in in the middle of the negotiations, sir.

The CHAIRMAN. He came in person?

Mr. MENNEN. He came in person, yes.

The CHAIRMAN. How did it happen that his union was ever recognized?

Mr. MENNEN. By us? His union was recognized quite frankly, because we deserved it. They had an organizational strike in the warehouse and the conditions in our warehouse were such that the union was deserved.

The CHAIRMAN. The union was what?

Mr. MENNEN. I would say the union was deserved at that time in the warehouse.

The CHAIRMAN. It was deserved?

Mr. MENNEN. Yes, sir.

The CHAIRMAN. You mean there should have been a union?

Mr. MENNEN. I would say so.

The CHAIRMAN. Now, did they have an election and your men selected this union?

Mr. MENNEN. Yes, sir.

The CHAIRMAN. In other words, when it is unionized, or when your plant was first unionized and Johnny Dio's local 102 was in there, your people voted in an election to unionize?

Mr. MENNEN. They voted by a card count and that card count was made at that time, sir.

The CHAIRMAN. There was no election, but a majority of them signed cards?

Mr. MENNEN. That is correct.

The CHAIRMAN. That is how you got into that union?

Mr. MENNEN. That is correct.

The CHAIRMAN. What did you discover about that union, or your men discovered or management that caused you to want to get out from under it?

Mr. MENNEN. In the first place, I would say Johnny Dio's notoriety right at that time was known to none of us. It was not known to anybody and so Dio, as far as we were concerned, was the same as any other union president and I am afraid as far as our help were concerned.

I am speaking of opinion, of course, but I would say the reason that the help felt they wanted to get out of it was that it was a completely dominated union by union headquarters. As far as I know, the help never had a chance to vote for their shop steward.

The account was never serviced by union headquarters. They felt they were not getting any help from their union headquarters and they felt they should have had the privilege of voting for their own shop steward and their own shop organization in our plant.

The CHAIRMAN. As to the movement to decertify the local 102 as a bargaining agent or representative for your employees, did that movement to decertify originate with your men, with your employees, or did it originate with management or both?

Mr. MENNEN. I would like to get my terminations straight here. I have heard of certification and deauthorization. That is the deauthorization.

The CHAIRMAN. It is the deauthorization or decertification. I think it means the same.

Mr. MENNEN. It originated with our employees.

The CHAIRMAN. It originated with your employees?

Mr. MENNEN. Yes, sir.

The CHAIRMAN. They came to you for counsel about it, did they?

Mr. MENNEN. They came to our personnel department; yes, sir.

The CHAIRMAN. For counsel, and when I say "you," I mean the management.

Mr. MENNEN. Yes, sir; as I pointed out to you, we are a sort of a small, closely knit group and people can speak freely back and forth.

The CHAIRMAN. Is that the instance in which you employed an attorney and the Mennen Co. paid for the services of an attorney?

Mr. MENNEN. That is correct.

The CHAIRMAN. To fight the battle of the men to get certification, and to get out from under the Johnny Dio local?

Mr. MENNEN. That is correct, sir; and I may point out that was an attorney that none of us personally had ever known ourselves.

The CHAIRMAN. I wanted to get the facts straight in my own mind. I thought that was what had occurred.

Mr. KENNEDY. I would like to ask some questions of Mr. Oldenburg.

The CHAIRMAN. Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

**TESTIMONY OF HENRY OLDENBURG, ACCOMPANIED BY HIS
COUNSEL, JAMES L. R. LAFFERTY**

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. OLDENBURG. Henry Oldenburg, plant manager of the Mennen Co., Morristown, N. J.

The CHAIRMAN. The same counsel is appearing for you?

Mr. LAFFERTY. Yes.

The CHAIRMAN. Proceed.

Mr. KENNEDY. In 1951 the Labor Relations Associates was brought into the plant; is that right?

Mr. OLDENBURG. That is right.

Mr. KENNEDY. In 1953 they were brought back into the plant to do some work.

Mr. OLDENBURG. Yes, sir.

Mr. KENNEDY. What was the purpose of bringing them in in 1953?

Mr. OLDENBURG. The purpose was to straighten out some employee difficulties. We had factions operating against each other in the plant with the result that the production suffered. I am primarily interested in the production, and the lack and loss of production was blamed on noncooperation of the employees who would put something on the conveyor belt here, and the next man or woman may refuse to take it off because they were not on speaking terms.

The material would get lost in the warehouse because these boys or girls wouldn't cooperate with each other. It was just a mess.

Mr. KENNEDY. So he came in to straighten all of that out?

Mr. OLDENBURG. That is right.

Mr. KENNEDY. While he was there did he have anything to do with the union and local 649?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. He didn't have anything to do with that?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. Did he make any suggestions on the deauthorization?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. You didn't have any conversations with him about that?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. He never said anything to you about the fact that this would have to appear to be spontaneous?

Mr. OLDENBURG. In fact, as far as I know, since 1952 there had been gripes about the union for a long time.

Mr. KENNEDY. There might be gripes, but then if this decertification or deauthorization came actually from the company, and the company set it up, then it would get into the field of an unfair labor practice. Did he ever discuss that with you?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. He never gave you any advice on that?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. Now, after the strike which I discussed with Mr. Mennen, which happened in August of 1953, there was a survey that was taken, as I understand it, among the employees.

Mr. OLDENBURG. That is right.

Mr. KENNEDY. What was the purpose of that survey?

Mr. OLDENBURG. The purpose of that was again to try to combat some of these complaints that we had from employees on favoritism, on promotions, and so on, and we wanted to make sure that we would have sufficient information to see the interests and skills and experience outside of the Mennen Co. that they had brought into the job, so that we could promote from within to a better degree than we had done before.

Mr. KENNEDY. Now, that survey that was taken, as I understand it, was by Labor Relations Associates; is that right?

Mr. OLDENBURG. Yes.

Mr. KENNEDY. Was there anything in that survey that you were attempting to find out how people stood about the union or about the company?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. There was nothing like that?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. As I said to Mr. Mennen, we have had some testimony about these 3-by-5 cards that were kept on employees in some other plants. Were there any 3-by-5 cards here?

Mr. OLDENBURG. I have never seen any or I didn't hear any conversation about them.

Mr. KENNEDY. Where you would mark plus or minus, or 1, 2, 3, 4, 5, showing whether a person was strongly for or against the union?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. Nothing like that?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. Now, Mr. Mennen talked about the rotating committees, called safety committees.

Mr. OLDENBURG. Yes.

Mr. KENNEDY. Were these rotating or safety committees—was there any purpose there to try to find out whether the employees were for or against the union or for or against the company?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. That wasn't the purpose of them?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. Mr. Jackson never suggested that they be used for that purpose?

Mr. OLDENBURG. We had safety committees in 1954, and have continued to have safety committees until now, and we will continue to have them.

Mr. KENNEDY. I think Mr. Mennen said that these committees, the rotating committees, might have been set up at the suggestion of Mr. Jackson, but you say they weren't used for the purpose of finding out whether the employees were for or against the company, or for or against the union.

Mr. OLDENBURG. I said they were not set up for that purpose.

Mr. KENNEDY. Were they used for that purpose?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. Did he give any direction as to how those committees should be run or operation, Mr. Jackson?

Mr. OLDENBURG. I couldn't tell you that.

Mr. KENNEDY. He didn't tell you about it?

Mr. OLDENBURG. No; we had these committees before, and whether he may have added something to it or not, or suggested some modification, I don't know.

Mr. KENNEDY. Whatever suggestions he made, were they along the line of finding out anything about a person's union sympathies, or how they felt about the company?

Mr. OLDENBURG. I have never heard of any, sir.

Mr. KENNEDY. Did Mr. Jackson ever suggest that a "vote no" committee be set up?

Mr. OLDENBURG. I never heard of it.

Mr. KENNEDY. You never did?

Mr. OLDENBURG. No.

Mr. KENNEDY. Did Mr. Jackson discuss with you often the connection of Mr. Shefferman with the firm?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. He did not?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. Did Mr. Shefferman ever come to the plant?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. Do you know Mr. Shelton Shefferman?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. Were there any discussions at all about the laying off of employees because of union sympathies?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. Never any discussion about that?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. There was never any discussion with you by Mr. Jackson or others that you would get rid of people that were for the chemical workers or strongly in favor of unions?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. There was never any discussion like that?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. Did the company actually itself, were they for or against the union or were they neutral?

Mr. OLDENBURG. Neutral.

Mr. KENNEDY. You never indicated to the employees one way or the other?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. The answer is "No?"

Mr. OLDENBURG. The answer is "No, sir."

Mr. KENNEDY. All right. That is all.

The CHAIRMAN. All right, call the next witness.

Mr. KENNEDY. Mr. Louis Jackson, please.

Mr. LAFFERTY. May I ask this question on behalf of Mr. Mennen? Is he excused now, and Mr. Oldenburg, because there are personal reasons that were made known to your counsel?

The CHAIRMAN. I wanted to interrogate Mr. Mennen a little more.

Mr. KENNEDY. I don't think that they are finished yet.

Mr. LAFFERTY. We will wait.

The CHAIRMAN. We will try to get through with you this morning.

**TESTIMONY OF LOUIS JACKSON, ACCOMPANIED BY HIS COUNSEL,
NICHOLAS ATLAS**

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. JACKSON. I do.

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. JACKSON. My name is Louis Jackson and I reside at 25 East 76th Street, New York City. I am a personnel relations consultant and my address of business is 21 East 40th Street, New York City.

The CHAIRMAN. You have counsel with you?

Mr. JACKSON. I do, sir.

The CHAIRMAN. Will you identify yourself for the record?

Mr. ATLAS. My name is Nicholas Atlas, and my office is at 45 Exchange Place, in Manhattan, New York.

The CHAIRMAN. Thank you very much.

Mr. JACKSON, are you with the Labor Relations Associates?

Mr. JACKSON. I am no longer, sir.

The CHAIRMAN. You have been in the past?

Mr. JACKSON. Yes, sir.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. How long were you with Labor Relations Associates?

Mr. JACKSON. Since 1945.

Mr. KENNEDY. And you left them at what time?

Mr. JACKSON. Late in April.

Mr. KENNEDY. Of this year?

Mr. JACKSON. Of this year.

Mr. KENNEDY. For what reason?

Mr. JACKSON. Well, just so it will be clear, I operated the New York office as an autonomous business. Since I opened the New York office in 1945 I had nothing to do with nor any knowledge of the personal affairs of Mr. Shefferman or his son.

In consideration for my clients and in consideration that I wanted to continue a good and sought-after and highly reputable service for these clients, and in consideration for my staff and for myself, dictated the severance which I undertook in April and I formed my own company, Personnel Advisory Service, and the date of the corporation was May 8 of this year.

The CHAIRMAN. Had you been on a salary basis prior to that time, or during the time you were with Labor Relations Associates?

Mr. JACKSON. I was always on a salary basis, plus annual bonus. I had no participation, stock participation in the company.

The CHAIRMAN. No what?

Mr. JACKSON. No stock participation in the company.

The CHAIRMAN. I see. You worked under the directions of the Sheffermans?

Mr. JACKSON. Yes and no. Yes, I was an employee of the company. No in the sense that I ran the office in New York since 1945, quite autonomously. On occasion I would be signed to some work by Mr. Shefferman, on occasion.

The CHAIRMAN. And the other work that you did was work that came to your office?

Mr. JACKSON. And which I obtained and which came to my office.

The CHAIRMAN. Which you obtained and which you handled as an employee of the Shefferman's?

Mr. JACKSON. It is yes and no also.

The CHAIRMAN. In other words, you felt you were pretty much your own boss—

Mr. JACKSON. That is right.

The CHAIRMAN. In the way you operated and in the way in which you represented the clients that came to you?

Mr. JACKSON. That is right.

The CHAIRMAN. But while they were your clients, they were also Sheffermann's clients in the sense that you were employed by Shefferman?

Mr. JACKSON. That is right.

Mr. KENNEDY. You would take your instructions, would you not, from Mr. Shefferman?

Mr. JACKSON. I have to answer that yes and no. If I were on a job which Mr. Shefferman asked me to go on, which he did on occasion, I would take my instructions from him. If it was on a matter that was solely within my autonomous area, like the Mennen case, the instructions were only my own and to my staff.

Mr. KENNEDY. When you say your autonomous area, that was not a physical area, was it?

Mr. JACKSON. Fairly physical area.

Mr. KENNEDY. Mr. Shefferman came, for instance, even to New York City and handled clients?

Mr. JACKSON. Yes, that is true.

Mr. KENNEDY. And he sent you to handle clients in various sections of the country, did he not?

Mr. JACKSON. On occasion.

Mr. KENNEDY. And you received in salary and bonus from Mr. Shefferman how much, for instance, in 1956?

Mr. JACKSON. I don't recall. I have not those figures with me. If the committee can help me with that figure, I will be very glad to help it, if it is pertinent.

Mr. KENNEDY. I believe it is \$33,000 in 1956. Would that be approximately right, salary and bonuses?

Mr. JACKSON. That is about right.

Mr. KENNEDY. And you were the head of his office in New York City, were you not?

Mr. JACKSON. That is right.

Mr. KENNEDY. And you made his reports to him when he wanted them?

Mr. JACKSON. All the bookkeeping and all the reports went to the Chicago office.

Mr. KENNEDY. And there was likewise an office up in Detroit?

Mr. JACKSON. That is correct.

Mr. KENNEDY. And that was operated by Mr. George Kamenow?

Mr. JACKSON. That is correct.

Mr. KENNEDY. And if Mr. Shefferman wanted you to come even into Detroit or into Michigan, he could send for you and send you up there?

Mr. JACKSON. Mr. Kennedy, I think that happened only about once in my recollection.

Mr. KENNEDY. Didn't you go up on the Morton Frozen Foods case?

Mr. JACKSON. I went out to Webster City on one occasion, the day of the election.

Mr. KENNEDY. What was the purpose of that? Were you sent out there by Mr. Shefferman?

Mr. JACKSON. Yes.

Mr. KENNEDY. What were you doing out there?

Mr. JACKSON. On the day before an election, questions arise as to the eligibility list. You see, a Labor Board examiner who conducts an election does not want to have too many challenges. There were many, many cards that the union had had for people that had been there and left. It was a highly seasonal business. The union had many questions about the eligibility list. I sat with the union representatives and with the Labor Board representative, and we went over the eligibility list so that there would be very, very few challenges.

Mr. KENNEDY. That was in connection with the packinghouse workers election?

Mr. JACKSON. That is right.

Mr. KENNEDY. You were sent up there by Mr. Shefferman?

Mr. JACKSON. That is right.

Mr. KENNEDY. You also went to Boston, Mass; did you not?

Mr. JACKSON. Yes.

Mr. KENNEDY. You were sent there by Mr. Shefferman?

Mr. JACKSON. That is right.

Mr. KENNEDY. While you were up there, did you negotiate with representatives from the Sears, Roebuck Employees Council previously?

Mr. JACKSON. In the middle 1940's, for some few years, I was the collective-bargaining representative for the company with the Sears Employees Council, with the engineers union, with the garage union, or the superservice station union, and with the teamsters union, both for retail and mail order.

In about 1949, I think, Sears became regionalized and had labor relations counsel on their own staff, whom I helped train. They took over the negotiations. I was recalled to Boston, I believe, in 1953 by Mr. Shefferman and local management.

Mr. KENNEDY. While you were up there, you had dealings with the employees council; did you not?

(The witness conferred with his counsel.)

Mr. JACKSON. I met with a group of employees who had a position that you couldn't say was a council or wasn't.

Mr. KENNEDY. Let me ask you this: Didn't the Sears, Roebuck Co., who was retaining you, didn't the Sears, Roebuck Co. while you were up there in 1953 recognize this employees council as the bargaining agent?

Mr. JACKSON. Yes, but if you recall——

Mr. KENNEDY. I understand there was a rivalry. But the employer, the person who retained you, recognized this employees council?

Mr. JACKSON. Let me say this, that the negotiations with the council at that time, and since the time I left in 1948, were handled by the regional office out of Philadelphia——

Mr. KENNEDY. Mr. Jackson——

Mr. JACKSON. Just a minute, please, sir. And I was not negotiating with that group.

Mr. KENNEDY. I didn't ask you that. All I said was at the time you were up there in 1953, wasn't the Sears Employees Council recognized by the Sears, Roebuck store as the bargaining agent? Were they not?

Mr. JACKSON. Yes; they were.

Mr. KENNEDY. While you were up there, did you pay any money to the officials of the Sears, Roebuck Employees Council?

Mr. JACKSON. I did not.

Mr. KENNEDY. You did not?

Mr. JACKSON. Will you restate that question?

Mr. KENNEDY. While you were in Boston, did you pay money or give anything of value to any representative of the Sears, Roebuck Employees Council?

Mr. JACKSON. The company was supporting——

Mr. KENNEDY. Just answer the question and then you can give any explanation you want.

Mr. JACKSON. You must accept my answer, unless you want to testify.

Mr. KENNEDY. Go ahead.

Mr. JACKSON. The company had, up to August 1953, been supporting 2 or 3 employees of the company. These employees were commission salesmen, and they subsidized them for their work for their absence from the premises. The company also was paying the attorney for this council group. There was a grave question at that time: What was the council? What was the group? The retail clerks claimed to have——

Mr. KENNEDY. Mr. Jackson, that is not answering my question.

Mr. JACKSON. I have answered the question, sir.

Mr. KENNEDY. Did you pay any member of the Sears, Roebuck Employees Council any money while you were in Boston?

Mr. JACKSON. In behalf of the company I delivered payments which the company chose to make to these individuals, Giammasi——

The CHAIRMAN. Mr. Jackson, it seems to me the answer is, "Yes, you did it."

Mr. JACKSON. With company funds.

The CHAIRMAN. At the instance of the company and with company funds, or with funds for which you were reimbursed?

Mr. JACKSON. No, I was not reimbursed. They were company funds which they gave me.

The CHAIRMAN. All right, whatever the facts are.

Mr. JACKSON. It was not a reimbursement.

The CHAIRMAN. I am not saying it was, but I am trying to move this along and just get the facts.

Mr. JACKSON. I am sorry.

The CHAIRMAN. As I understand it, the question was: Did you pay any of these employees any money or anything of value while you were there?

The answer was, "Yes, you did," it was company money and they had been paying them before you got there.

Mr. JACKSON. I will accept your restatement of my answer.

The CHAIRMAN. Is that correct? That is the way I understood you.

Mr. JACKSON. Yes, that is right.

The CHAIRMAN. All right.

Mr. KENNEDY. And whose instructions were they to continue paying this money?

Mr. JACKSON. The regional office, labor relations office, of Sears, in Philadelphia, and local management.

Mr. KENNEDY. Who, specifically, instructed you to pay this money? Are you familiar with section 302?

Mr. JACKSON. Yes.

Mr. KENNEDY. Where it says—

It shall be unlawful for any employer to pay or deliver or to agree to pay or deliver any money or other thing of value to any representative of any of his employees who are employed in an industry affecting commerce.

Mr. JACKSON. Yes, sir.

Mr. KENNEDY. You are familiar with that?

Mr. JACKSON. Yes, sir.

Mr. KENNEDY. Who gave you the instructions from Sears, Roebuck Co., or from the Shefferman concern, to make these payments to these individuals who were representing the Sears, Roebuck employees council, with whom Sears, Roebuck was bargaining?

Mr. JACKSON. I would say, sir, that out of Chicago Mr. Caldwell, out of Philadelphia Mr. Hooke, at first, out of local management Mr. Rohrdanz, with whom I worked very closely, and Mr. McDermott, and the local manager there—

Mr. KENNEDY. Mr. Romizer?

Mr. JACKSON. No. Jardine, I think, before McDermott got there.

Mr. KENNEDY. Did you object to making any of these payments?

Mr. JACKSON. No, I did not. Sears, Roebuck is one of the finest employers in the country. They wished to maintain a status quo there. I helped the company in every way I could.

Mr. KENNEDY. Did you make any payments to Mr. Roy Webber?

(The witness conferred with his counsel.)

Mr. JACKSON. I made no payments to Roy Webber.

Mr. KENNEDY. Were there any payments made to Mr. Roy Webber that you are aware of?

Mr. JACKSON. Yes.

Mr. KENNEDY. What were they?

Mr. JACKSON. When Mr. Webber first formed the council, he spent a good deal of time. This was before my time. It is all hearsay. Shall I continue?

Mr. KENNEDY. I want to know from 1951 on, 1950 or 1951 on.

Mr. JACKSON. From 1951 on, I think the pristine arrangement continued.

Mr. KENNEDY. Was that the \$20 a week?

Mr. JACKSON. His \$25 or \$20 a week, which was not an unusual arrangement. It was to compensate him for the time he spent in grievance procedure. That is not an unusual thing. Henry Ford spends a billion and a half dollars a year on fully paid grievance time for union shop stewards. It is not unusual.

Mr. KENNEDY. I am not questioning that \$20 payment by the company. Were there any other payments made directly or indirectly to Roy Webber?

Mr. JACKSON. I know of none, sir.

Mr. KENNEDY. You know of none?

Mr. JACKSON. That is right.

Mr. KENNEDY. Were you told that he was receiving other moneys, other than the \$20?

Mr. JACKSON. I was not.

Mr. KENNEDY. You were not?

Mr. JACKSON. No.

Mr. KENNEDY. You never had any conversations along that line?

Mr. JACKSON. No.

As a matter of fact, I never discussed the \$25 with him, either.

Mr. KENNEDY. I am not talking about him. I am talking about any discussions you might have had with company officials.

Mr. JACKSON. No. They told me that that was the arrangement.

Mr. KENNEDY. That is the only payment that you know of?

Mr. JACKSON. That is right, except for a back pay award.

Mr. KENNEDY. The payments you made personally were to Angelo Giamassi?

Mr. JACKSON. Yes.

Mr. KENNEDY. And who else?

Mr. JACKSON. And Gannon.

Mr. KENNEDY. What is his first name?

Mr. JACKSON. Richard Gannon.

Mr. KENNEDY. Richard Gannon?

Mr. JACKSON. Yes.

Mr. KENNEDY. Did you make any payments to Harry Farren?

Mr. JACKSON. In behalf of the company I disbursed some moneys to Mr. Gannon.

Mr. KENNEDY. If these moneys were all legitimate payments, why didn't the company make them directly rather than through you?

Mr. JACKSON. I think now they would share the feelings of Mr. Moser, who testified yesterday, that hindsight would have made them much wiser in paying directly.

Mr. KENNEDY. This is a quite different situation than Mr. Moser, where the payment there was just to an individual. Here the payments were being made to a group which was heading up the union with whom the Sears, Roebuck Co. was bargaining. These payments are quite different than the ones which were made by Allstate Insurance Co.

Mr. JACKSON. I don't think so, sir. I differ with you.

Mr. KENNEDY. I read section 302 which is directly in point.

Mr. JACKSON. Well, I differ with you, Mr. Kennedy.

Mr. KENNEDY. Did you make arrangements for the attorney for this so-called independent council, Sears, Roebuck Employees Council?

Did you make arrangements for him to be paid?

Mr. JACKSON. I continued the practice that I found in August of 1953 when I was called to follow up on Mr. Neilsen.

Mr. KENNEDY. On whose instructions did you make those payments?

Mr. JACKSON. I will have to give you the answer as best I know it. It was Mr. Caldwell, the Philadelphia regional office, and local management. As I told you, I worked very closely with Mr. Rohrdanz.

Mr. KENNEDY. What about the literature that was put out by the Sears, Roebuck Employees Council? Did you finance any of that?

Mr. JACKSON. Yes, the company financed that.

Mr. KENNEDY. Is that an unusual practice by you, Mr. Jackson, to help finance the union with whom the employer is bargaining?

To give money to the ones who were the officials of the employees council, to pay the attorney for the employees council, which is the union——

Mr. JACKSON. No.

Mr. KENNEDY. To pay for the literature?

Mr. JACKSON. No. The answer is "No." It is not an unusual practice.

Mr. KENNEDY. Has anything similar to that happened in any other case?

Mr. JACKSON. I don't recall at the present moment.

Mr. KENNEDY. Do you think it is possible you have done it elsewhere?

Mr. JACKSON. It might be, sir.

Mr. KENNEDY. It is?

Mr. JACKSON. But not a usual practice.

Mr. KENNEDY. But you have done it elsewhere?

Mr. JACKSON. I don't remember, sir.

Mr. KENNEDY. You can't remember whether you have done it elsewhere?

Mr. JACKSON. No, I can't. I have had thousands of cases since I have been in this business for 20 years, sir.

Mr. KENNEDY. And this was not so unusual that you would remember having done something similar to this elsewhere?

Mr. JACKSON. I repeat my answer that it was not usual practice.

Mr. KENNEDY. But you can't tell us any other place that you have done it, Mr. Jackson?

Mr. JACKSON. I will have to repeat my answer, that it was not usual for me to do that, sir.

Mr. KENNEDY. Did you offer Mr. Giammasi a thousand dollars if he would leave his job and find employment elsewhere?

Mr. JACKSON. Mr. Kennedy, I did not ask Mr. Giammasi to leave his job. That idea originated with the company.

Mr. KENNEDY. Who in the company, if you say it is the company? Who was it in the company?

Mr. JACKSON. So you will understand this, and it applies to all future answers so you don't have to ask that again——

Mr. KENNEDY. I will ask what I want to ask. You answer the questions.

Mr. JACKSON. I don't want to feel obliged to ask it. Every time I was in Boston, I met with local management and sometimes a member of the industrial relations department out of Philadelphia, and on

occasion with Mr. Caldwell, and on occasion with Mr. Shefferman. I cannot segregate meeting from meeting and tell you which of these men were there. I ask you to accept an answer that it was the composite advice of all or a quorum or a few or of one.

Mr. KENNEDY. You can't tell who it was that told you that?

Mr. JACKSON. No, I cannot.

Mr. KENNEDY. Just these 3 or 4 people; 1 or 2 or 3 or 4 of these people told you?

Mr. JACKSON. That is right.

Mr. KENNEDY. But you did make the offer to Mr. Giammasi that you would give him \$1,000 or the company would be willing to give him \$1,000 if he would leave their employment and set up a printing company outside?

Mr. JACKSON. I transmitted some such message to Mr. Giammasi.

Mr. KENNEDY. Was that the message?

Mr. JACKSON. If I recollect, I think that is so, sir.

Mr. KENNEDY. For what reason were you trying to get Mr. Giammasi out of Sears, Roebuck?

Mr. JACKSON. I was not trying to get him out.

Mr. KENNEDY. For what reason, then did these other people tell you to do this, and you went ahead and tried to do it?

Mr. JACKSON. Mr. Giammasi was not a very good worker. He had a series of jobs there in different departments and they finally gave him a position in customer service, in the customer service department. He was unhappy there. As a matter of fact, he was always unhappy. But I did not arrange or promote any discharge idea, or resignation idea.

Mr. KENNEDY. You went to him about it, though?

Mr. JACKSON. Yes. I am a very loyal worker to this company. I told you that I like Sears, Roebuck and I think they are a grand company, and I would do those things for them. That is what I was there for.

Mr. KENNEDY. I understand.

The CHAIRMAN. If you will just answer the questions——

Mr. JACKSON. I mean it was no idea of mine, Senator McClellan.

The CHAIRMAN. All right, you said that. Stop. It was the other fellow's idea, and you carried it out.

Go ahead.

Mr. KENNEDY. If Mr. Giammasi was not a very good employee and did not have a very good record, why were the extra payments being paid to him periodically?

Mr. JACKSON. Because of the loss of his earnings.

Mr. KENNEDY. If you are so interested——

Mr. JACKSON. I don't know the exact chronology, but I think that after all of this necessity for his giving time was done with, perhaps the local management took another look at the man.

Mr. KENNEDY. That is on Giammasi. What about Mr. Roy Webber? Did you ever offer him a job in South America?

Mr. JACKSON. Well, I think after the publicity I got out of that, I will open an agency down there. Mr. Webber did not tell the accurate story.

(At this point Senator McNamara withdrew from the hearing room.)

Mr. JACKSON. Mr. Webber approached me—you see, I used to negotiate with Webber a long time back. I told you, in 1948. We were pretty friendly. Mr. Webber asked me what chance there was to be transferred down to the Miami store, the Miami Beach store. I said I would inquire. When I made inquiry, I was told by Mr. Caldwell that Sears S. A., South America, had openings, not for rank and file, because apparently down there you can't hire rank and file who are not citizens, but there were openings for management employees, such as division manager. I transmitted that message to him. He said he was not interested.

Now, about 3 months or so, if I recall, after he was discharged, I received a letter in New York, and Mr. Sheridan knows about this letter, I received a letter in New York asking me to get him a job. The original letter is in the files of Sears, Roebuck & Co. He said, "I have had work with this union and I can make a very good personnel man for somebody, and I would be glad to do it."

I went to work to try to find a job for him. It was not entirely altruistic. If he got a job, it would cut down the back pay running against the company at the time, if his discharge were sustained as being an unjust discharge or unfair labor practice charge, as it finally was. I got an appointment for him at Florence Stove Co., in Gardner, Mass., who at that time was having a strike with the steel workers. They did have an opening there for him. The money, I think, he said was not sufficient. I think it was about \$5,500. I talked to Englander Co. in Boston and New York, and they said they would like to offer him a job, I think, for about \$6,000 a year as salesman in the New York and New England area. He did not want to travel.

(At this point Senator McNamara returned to the hearing room.)

Mr. JACKSON. I got him an appointment with the president of R. H. White Co., in Boston, now defunct, and nothing jelled out of that. Those were the three attempts I made at his request, Mr. Kennedy.

Mr. KENNEDY. What about Mr. Gannon; did you know of any efforts to transfer Mr. Gannon out of the Boston store?

Mr. JACKSON. Mr. Gannon?

Mr. KENNEDY. He was another one of those leading the employees' council.

Mr. JACKSON. That is right. Mr. Gannon at one time was a warehouse manager for Sears, Roebuck, and was demoted. He became a furniture salesman. At this time I don't recall at whose suggestion it was, whether it was his or someone else's, but some effort was made to find him a job as a warehouse manager with a company I don't remember the name of.

The record I read yesterday tells the name of the company. My participation in that was nil, sir.

Mr. KENNEDY. But you knew of that?

Mr. JACKSON. Oh, yes.

Mr. KENNEDY. What was the purpose of that with Mr. Gannon?

Mr. JACKSON. I liked Gannon, and I think he is a fine man.

Mr. KENNEDY. While you were up in Boston, in addition to paying these moneys that you talked about, were you also entertaining the officials of the Sears, Roebuck employees' council?

Mr. JACKSON. I will ask you please to strike out the first half of that question.

Mr. KENNEDY. Let me put it this way: While you were in Boston and paying the money to the officials of the Sears, Roebuck employees' council, which money came from the employer, were you also entertaining the members of the Sears, Roebuck employees' council?

Mr. JACKSON. Whenever we had a grievance meeting or whatever you call those meetings, and I don't know how to describe them, if I saw them at lunch, and if I saw them at dinner, I bought dinner.

Mr. KENNEDY. During this same period of time when these activities of yours were going on, did you also make arrangements to hire another attorney, Mr. DeGiacomo, to do some other work?

Mr. JACKSON. Yes, sir.

Mr. KENNEDY. You did?

Mr. JACKSON. Yes, sir.

Mr. KENNEDY. You had some conversations with him?

Mr. JACKSON. Yes, sir.

Mr. KENNEDY. And he ultimately arranged for a so-called vote "no" committee of the employees?

Mr. JACKSON. I must insist on interpolating one thing there, sir. Mr. DeGiacomo was referred to me by Mr. Allan Tepper. There was a case at the Labor Board for determination of bargaining representative. There was an issue on the appropriateness of the unit.

Now, the way the petition was read, as I recall it, it might have included certain managerial employees. Sears has a departmental system with certain numbers and in certain departments they only have the one employee who is a department manager. He is a managerial employee.

There have been some cases that have held that where a man is the only one in the department he cannot be both management and his own employer, and be a worker in that department. The company wanted the supervisory staffs protected and we asked Allan Tepper, the company's counsel, to find a lawyer.

Mr. DeGiacomo was a young man, as you saw, and he did not know anything about labor-relations law, or about Board procedures and I undertook to instruct him and he represented this group. For this, he was paid by the company and the company supplied the funds.

Mr. KENNEDY. Why did you pick a young man that did not know anything about labor law? Is that a procedure that you follow in other areas to try to get someone who does not know a great deal about labor law?

Mr. JACKSON. Will you unload that question, please?

Mr. KENNEDY. I think you can understand it.

Mr. JACKSON. I cannot answer it.

Mr. KENNEDY. Is that a procedure in other areas, when you are going in and finding an attorney, for one reason or another?

Mr. JACKSON. I am going to answer that question——

Mr. KENNEDY. Do you want to answer the question or not. Can you answer it?

Mr. JACKSON. Excuse me.

Mr. KENNEDY. Do you attempt to find an attorney who has little background or knowledge of labor law? Is that your usual procedure?

Mr. JACKSON. I will answer you in this way; that, in Boston, when I asked Allan Tepper for a lawyer, he sent me Mr. DeGiacomo. Mr. DeGiacomo did not have to know too much labor law.

Mr. KENNEDY. In other areas where you are looking for an attorney to do work for you, do you attempt to find an attorney who does not have a great deal of background or knowledge of labor law? Is that your procedure? You can answer that "Yes" or "No."

Mr. JACKSON. Will you read that back to me.

(The pending question was read by the reporter.)

Mr. JACKSON. If ever I have needed a lawyer, and I do not know what other areas you are talking about, but we will conclude this answer: If in other areas I ever need a lawyer, to me it did not make any difference whether the lawyer knew or did not know, and I did not purposely, if I did in other areas, seek out a young, inexperienced lawyer.

Mr. KENNEDY. That is right. That is what I am trying to find out. Did you arrange to have Mr. DeGiacomo paid? Did you paid him or arrange to have him paid?

Mr. JACKSON. Yes; the company paid him through me.

Mr. KENNEDY. And on whose instruction was that done?

Mr. JACKSON. Also through the entire group.

Mr. KENNEDY. You cannot tell who told you specifically?

Mr. JACKSON. The particular one; no, sir.

Mr. KENNEDY. How much money did you pay Mr. DeGiacomo?

Mr. JACKSON. I think the company paid him in the neighborhood of \$1,000 or something.

Mr. KENNEDY. You were aware, were you not, that he had a vote "no" committee operation in existence when you paid him the money?

Mr. JACKSON. I was not aware of that, sir. At the outset, when I was instructing him, he was representing a group of management people.

Mr. KENNEDY. I do not think, perhaps, you heard my question.

Mr. JACKSON. Wait a minute. I did hear your question very well, indeed. After that he was working with Mr. Robey, and I understand now—and my recollection has been refreshed since reading the transcript—that Mr. DeGiacomo was then later used by Robey to assist him in this vote "no" group.

Mr. KENNEDY. You still have not answered the question.

Mr. JACKSON. I have answered the question.

Mr. KENNEDY. Would you read him the question back?

(The pending question was read by the reporter.)

Mr. JACKSON. I do not think I was aware of that at that time, sir. What I knew as a fact was the purpose for which I had retained him in behalf of the company; that is my best answer.

Mr. KENNEDY. You paid him well after the election some \$1,000 or \$1,500; the money came from the employer, and you mean to say that at that time you still did not know what Mr. DeGiacomo was doing or had done?

Mr. JACKSON. Mr. Kennedy, may I tell you very frankly that, in reading the testimony, when it was brought out that he had talked to 130 employees or so, and I don't remember how many—

Mr. KENNEDY. I cannot understand why you have to ramble off, Mr. Jackson, and why don't you answer the question.

Mr. JACKSON. I am not rambling off. I knew exactly what I was doing, and I did not know entirely what Mr. Robey was doing.

Mr. KENNEDY. You knew enough to pay him the money.

Mr. JACKSON. Yes, sir.

Mr. KENNEDY. You must have known what services he performed.

Mr. JACKSON. The company knew well enough what they were paying the money for.

The CHAIRMAN. There isn't any question about that. The question is: Did you know at the time you paid the man his attorney fees that he had had going a vote "no" committee as a part of his services to the company or to you?

Mr. JACKSON. My present recollection, Senator, is that I did not.

The CHAIRMAN. You did not know at the time you paid the fee?

Mr. JACKSON. My present recollection is I did not.

Mr. KENNEDY. Three or four days prior to the election in this operation that you were running for the employees' council, did you suggest at that time that they switch their operation over to a vote "no" operation and vote against any union?

Mr. JACKSON. I participated in some such discussions.

Mr. KENNEDY. And you say that, even at that time, you did not know Mr. DeGiacomo was working with such a vote "no" operation?

Mr. JACKSON. Mr. DeGiacomo did not work with the people whom I was meeting.

Mr. KENNEDY. I understand that, but you knew, certainly, that a vote "no" operation was in existence, because that is what you were suggesting that the employees switch their votes over to.

Mr. JACKSON. That was not it. When you vote "no" you are not voting for a vote "no" committee; you are just voting "No."

Mr. KENNEDY. I understand that.

Mr. JACKSON. And their membership had not increased, and they saw no hope of prevailing. They were bitterly opposed to the retail clerks union.

Mr. KENNEDY. I understand all of that.

Mr. JACKSON. Do you want me to answer the question?

Mr. KENNEDY. You don't seem to answer the question, and you seem to want to make a speech.

The CHAIRMAN. Get the question and the Chair will get the answer. We will find out. Let us move along.

Mr. KENNEDY. At the time that you had the meeting with the employees from the employees' council, and you suggested at that time that they vote against the union or vote against any union, weren't you aware of the fact that there was an operation in existence at that time against the union, a vote "no" operation?

Mr. JACKSON. I may have, sir.

Mr. KENNEDY. That is as close as you can get?

Mr. JACKSON. That is as close as I can get.

Mr. KENNEDY. Did you know that Mr. Donoghue's car was being wrecked, the plan on the wrecking of Mr. Donoghue's car?

Mr. JACKSON. My first information as to that was when I read the record and read the newspapers.

Mr. KENNEDY. You had not known anything about that?

Mr. JACKSON. I have never met Donoghue and I don't know anything about that operation.

Mr. KENNEDY. What was the purpose of your being contacted by the Mennen Co. in the spring of 1953?

Mr. JACKSON. To do a personnel program there.

Mr. KENNEDY. Did you have anything to do with the union at that time?

Mr. JACKSON. No. All matters in connection with the union, and in the previous strike and previous negotiations and all Labor Board proceedings were handled by Mr. Lafferty.

Mr. KENNEDY. Did you make any suggestions on the decertification or deauthorization?

Mr. JACKSON. My best recollection, sir, is that when I came back or when I was recalled to the Mennen Co., I had a meeting with the personnel director, David Nagle, and Mr. Oldenburg may have been present and he may not have been, and I don't remember.

The dissatisfaction of the employees with the Dio outfit was discussed and a general review was had by me or I gave them a general review as to what might be done in a case like that and what the employer's relief was. Here an employer was saddled and the employees were saddled with a union which they apparently did not want. There were a number of alternatives open to them. One, they could refuse to bargain at the end of the time.

Mr. KENNEDY. Could you answer the question of whether you gave them any advice, any suggestions on the deauthorization or decertification certificate that was going to be issued or passed?

Mr. JACKSON. I have answered the question and I was telling you what I did.

Mr. KENNEDY. I don't want to know everything that you told them while you were there and I want to find out whether you told them anything about this.

Mr. JACKSON. I told these men what their remedies of the company and the employees might be.

Mr. KENNEDY. Did you tell them at that time that this would have to be a spontaneous matter, or appear to be spontaneous and come from the employees?

Mr. JACKSON. I don't recall that I said any such thing.

Mr. KENNEDY. Did you make the suggestion to them about obtaining an outside attorney to handle the matter?

Mr. JACKSON. I don't believe so, sir.

Mr. KENNEDY. Did you say to them at that time that this attorney should be a young attorney, and an inexperienced one and he could be directed, or he should be inexperienced in the field of labor law?

Mr. JACKSON. I don't recall I did that.

Mr. KENNEDY. Do you think it is possible you might have done those things?

Mr. JACKSON. I don't know, sir.

Mr. KENNEDY. You don't know the answer to that? Your memory fails you on that?

Now, in 1953, there was a strike and following the strike an individual from your office came up and started a survey of some kind among the employees.

Mr. JACKSON. Yes.

Mr. KENNEDY. Was the purpose of that survey to determine whether the employees were for or against the union?

Mr. JACKSON. It was not.

Mr. KENNEDY. Was one of the purposes to obtain that information?

Mr. JACKSON. I don't believe so.

Mr. KENNEDY. Do you think that is possible?

Mr. JACKSON. Mr. Kennedy, whenever you talk to an employee, you might learn a little something about him and some people might say something about the union, derogatory or not derogatory, but that was not the purpose of these interviews.

Mr. KENNEDY. Were you attempting to find out any information about the employees as to whether they were for the company or for the union?

Mr. JACKSON. I think not, sir.

Mr. KENNEDY. But you can't answer that?

Mr. JACKSON. I did not conduct those interviews, and I did send the men—excuse me—I sent the men in there to do their share in this personnel program that I was a party of, on the resumption of our work.

Mr. KENNEDY. When you sent the men in, the men came from your office?

Mr. JACKSON. That is right.

Mr. KENNEDY. One of the things they were there to find was to learn and determine whether the employees were for the union or for the company.

Mr. JACKSON. I don't think so, sir.

Mr. KENNEDY. Can't you answer that question?

Mr. JACKSON. You asked an alternative question and I say they were there to find out grievances and gripes that they may have had so that we could make that place a better place to work and it was not for purposes of finding out whether they were for a union or against a union, or whatever union you are talking about.

Mr. KENNEDY. Were there cards that were kept on the employees, 3-by-5 cards, kept on the employees, and symbols made on those cards to show whether they were for or against the union?

Mr. JACKSON. I know of no such cards.

Mr. KENNEDY. You were not aware of those cards?

Mr. JACKSON. No, sir.

Mr. KENNEDY. Were any files kept on the employees who were in favor of the Chemical Workers Union, that you know of?

Mr. JACKSON. No, not as such.

Mr. KENNEDY. What do you mean, "No, not as such"?

Mr. JACKSON. I had had the company install a jacket system for all of their employees, which included forms, application blanks, and recommendations from reference people and so on. So I had no particular file as such. That is what I mean.

Mr. KENNEDY. There wasn't any separate files kept on the employees who were in favor of the Chemical Workers Union?

Mr. JACKSON. Not to my knowledge, sir.

Mr. KENNEDY. Did you make the suggestion on the rotating committees being set up there?

Mr. JACKSON. Yes, and I always do.

Mr. KENNEDY. Did you make the suggestion on that?

Mr. JACKSON. Yes, sir.

Mr. KENNEDY. And the rotating committees were installed were they?

Mr. JACKSON. Yes, I think so.

Mr. KENNEDY. Whom did you make that suggestion to?

Mr. JACKSON. The personnel man.

Mr. KENNEDY. Who was he?

Mr. JACKSON. I think David Nagle at that time.

Mr. KENNEDY. And they were installed?

Mr. JACKSON. Yes, sir.

Mr. KENNEDY. Did you discuss that with Mr. Mennen?

Mr. JACKSON. I think with Mr. Oldenburg and I rarely saw Mr. Mennen. My dealings were with Mr. Nagle, the personnel man and Mr. Oldenburg.

Mr. KENNEDY. But you did discuss the setting up of rotating committees with Mr. Oldenburg?

Mr. JACKSON. Yes.

Mr. KENNEDY. And they were set up?

Mr. JACKSON. I think so.

Mr. KENNEDY. They were established?

Mr. JACKSON. Yes.

Mr. KENNEDY. Now, was one of the purposes of the rotating committee to determine how the employees felt about the company and to learn what complaints they had about the company?

Mr. JACKSON. No.

Mr. KENNEDY. It was not?

Mr. JACKSON. That is right.

Mr. KENNEDY. Or learn how they felt about the union and what complaints they might have?

Mr. JACKSON. No.

Mr. KENNEDY. Was that information obtained and reported from these rotating committee meetings?

Mr. JACKSON. Reports were made of the gripes that people brought up from those meetings.

Mr. KENNEDY. Were they gripes that they had about company policy?

Mr. JACKSON. No; they were gripes in the early days about supervision, mainly. The company needed to embark upon a good supervisory program.

Mr. KENNEDY. After that, what were they?

Mr. JACKSON. Before that, I mean. After that, a lot of picayunish things like the question on their vacation time or their not getting the full rest period and so on, and the type of thing that develops in any organization.

Mr. KENNEDY. Were any complaints they might have against the company? Is that right?

Mr. JACKSON. Yes.

Mr. KENNEDY. So it went beyond? They were not just safety committees, they were actually to try to find out what complaints they had?

Mr. JACKSON. Basically, safety committees, but when you talk to a group of people, I don't think that you can contain their expression of opinion and feeling, and that has been my experience with rotating committees.

Mr. KENNEDY. But it had nothing to do with learning anything about the union, as such?

Mr. JACKSON. No, sir.

Mr. KENNEDY. Now, did you suggest up there that a vote "no" committee be set up?

Mr. JACKSON. No, sir.

Mr. KENNEDY. You don't believe so?

Mr. JACKSON. I say no, sir.

Mr. KENNEDY. No, sir?

Mr. JACKSON. That is right.

Mr. KENNEDY. Have you ever set up a vote "no" committee in any area?

Mr. JACKSON. I don't recall at the present moment. I may have. If you have some documentation on that, I would be very glad to have my recollection refreshed.

Mr. KENNEDY. Is that an unusual thing for you to do, set up a vote "no" committee?

Mr. JACKSON. It is not a usual thing for me to do?

Mr. KENNEDY. And you can't think of any place you have done it?

Mr. JACKSON. No.

Mr. KENNEDY. But you have done it.

Mr. JACKSON. I can't recall.

Mr. KENNEDY. You can't remember whether you have done it or not?

Mr. JACKSON. I have had thousands of cases all of these years and I do not recall. Will you please accept my answer?

Mr. KENNEDY. It is just impossible for me to believe that you can't remember. I can see where you might not remember where you set it up, but I would think you would remember whether you have set one up. That is not asking too much.

Mr. JACKSON. It is possible.

Mr. KENNEDY. It is very possible, or just possible?

Mr. JACKSON. It is possible.

Mr. KENNEDY. But you can't remember?

Mr. JACKSON. I can't remember.

Mr. KENNEDY. You have a bad memory today. Did you discuss with Mr. Mennen or did you discuss first with Mr. Mennen your connection with Mr. Shefferman?

Mr. JACKSON. No.

Mr. KENNEDY. You did not discuss Mr. Shefferman's relationship with any teamsters officials or anything like that?

Mr. JACKSON. No.

Mr. KENNEDY. Did you discuss with Mr. Oldenburg, Mr. Shefferman?

Mr. JACKSON. No; I never mentioned Shefferman.

Mr. KENNEDY. Did Mr. Shefferman ever come out to the plant?

Mr. JACKSON. No, sir.

Mr. KENNEDY. Did Mr. Shelton Shefferman ever come to the plant?

Mr. JACKSON. Never.

Mr. KENNEDY. He never did?

(The witness conferred with his counsel.)

Mr. KENNEDY. You didn't make any arrangements for Mr. Shelton Shefferman to go out to the plant?

Mr. JACKSON. I don't recall. But if you have something to refresh my recollection, will you let me have it?

Mr. KENNEDY. You seemed very definite in the beginning.

Mr. JACKSON. I will tell you why I am definite. Because most of my clients did not know either Shefferman or his son or anything about

them, except from an annual Christmas card that he sent out; one of these long—

Mr. KENNEDY. I understand. But you were very definite in your answer. On June 9, Tuesday, 1953, did Mr. Shelton Shefferman go out to the company and meet with Mr. Nagel and other company officials?

Mr. JACKSON. Will you show me that report, sir?

The CHAIRMAN. I believe you have stated that you have no recollection of it.

Mr. JACKSON. That is right.

Mr. KENNEDY. He denied it, Mr. Chairman.

The CHAIRMAN. The Chair presents to you a daily report sheet dated June 9, 1953. I will ask you to examine this daily report sheet dated June 9, 1953. I will ask you to examine it and state if you recognize it and identify it.

(Document handed to witness.)

Senator McNAMARA. Whose daily report is it, Mr. Shefferman's?

Mr. KENNEDY. Shelton Shefferman.

Senator McNAMARA. Thank you.

Mr. JACKSON. This is Shelton Shefferman's report. I have no recollection of it. Do you have any report for that day, June 9, 1953?

If my report so shows, and his does, I presume he was out with me, and my memory stands refreshed.

The CHAIRMAN. Is that the form of report that you used also in reporting to the company expense you had?

Mr. JACKSON. Yes. Every staff member made a daily report of the work he did and the moneys disbursed and the allocation of those disbursements.

The CHAIRMAN. And Mr. Shelton Shefferman made the same report on his own?

Mr. JACKSON. Yes, sir; and so did senior.

The CHAIRMAN. So did the senior.

I present to you another report, a daily report dated June 9. It doesn't say the year here.

Mr. KENNEDY. It is 1953.

The CHAIRMAN. It says Tuesday. It is the same as Mr. Shefferman's report. It says Tuesday, and this has "Jackson" on it. I presume it is yours.

Mr. JACKSON. That is right.

The CHAIRMAN. Will you examine it, please?

Mr. JACKSON. There is only one of me in the company.

(Document handed to witness, who conferred with his counsel.)

Mr. JACKSON. Well, this report shows that I had a conference at my office on that day, and the time is marked "Mennens"—no, it must have been in Morristown. That is right.

The CHAIRMAN. You had a conference there that same day?

Mr. JACKSON. Yes.

The CHAIRMAN. The same day that Mr. Shefferman reports that he had one?

Mr. JACKSON. I did not recall it. My memory stands refreshed. It still doesn't—I mean. I just don't recall being out there with him.

The CHAIRMAN. But according to the report you submitted and which Mr. Shefferman submitted, you were both there that day?

Mr. JACKSON. Yes, that report is right, I think.

The CHAIRMAN. All right.

Mr. KENNEDY. Did you have any other clients in Morristown?

Mr. JACKSON. In Morristown? Yes. There was the Morristown Electrical Supply.

Mr. KENNEDY. Did you have them during 1953 also?

Mr. JACKSON. No. They came to us on recommendation of Mr. Mennen in late 1956. They had an organizational strike.

The CHAIRMAN. I present to you another daily report of Mr. Shelton Shefferman, dated June 25, 1953, and ask you to examine it and state if that refreshes your memory.

(Document handed to witness, who conferred with his counsel.)

Mr. JACKSON. May I see my corresponding report?

Mr. KENNEDY. We do not have that.

Mr. JACKSON. Then I am unable to answer at this moment until we can get that.

The CHAIRMAN. Does that indicate——

Mr. JACKSON. This indicates a trip to Morristown with him, but unless I had my report I couldn't say that, sir.

Mr. KENNEDY. You have no daily report for that day?

Mr. JACKSON. I have no daily report for that day.

(The witness conferred with his counsel.)

Mr. JACKSON. I say, I don't even know that he went out there.

The CHAIRMAN. The staff advises that we have no daily report of yours of that date.

Mr. JACKSON. I will try to find one, if I can. I kept some copies of some reports.

Mr. KENNEDY. That would appear that Mr. Shelton Shefferman, at least, went to Morristown, N. J., on that date?

Mr. JACKSON. It would appear that he did.

The CHAIRMAN. He so reported.

Mr. JACKSON. He so reported. I have no recollection of it.

Mr. KENNEDY. And that was on June 25.

Mr. JACKSON. What was the other one?

Mr. KENNEDY. June 9. During this period of time the chemical workers were attempting to come into the plant, and following it, did you make any recommendation to the Mennen Co. officials that employees who were in favor of the union be fired?

Mr. JACKSON. No, sir.

Mr. KENNEDY. Did you say that "You have got to get rid of all of these s. o. b.'s"? Did you say anything like that?

Mr. JACKSON. No, sir.

Mr. KENNEDY. You did not. You didn't say "You can't trust people like that; you have got to get rid of them"?

Mr. JACKSON. No, sir.

Mr. KENNEDY. Did you ever—I will ask you for an explanation of this: Before we get into that, the Mennen Co., were they neutral in this election?

Mr. JACKSON. I think they were very neutral in this election.

Mr. KENNEDY. They never pronounced themselves for or against the union?

Mr. JACKSON. I don't think so.

Mr. KENNEDY. Did you ever prepare any literature for them against the union?

Mr. JACKSON. No; I helped write some speeches for Mr. Mennen.

Mr. KENNEDY. Were they neutral speeches?

Mr. JACKSON. I think so.

Mr. KENNEDY. They weren't for or against the union?

Mr. JACKSON. I think so.

Mr. KENNEDY. I am having trouble hearing you now.

Mr. JACKSON. I think so.

Mr. KENNEDY. You are not sure of that?

Mr. JACKSON. If you have the documentation and you could remind me of it, I would be glad to take a look at it. I think not, sir. I think they were neutral throughout.

Mr. KENNEDY. You weren't advising them on how to move against the union or how to keep the union out?

Mr. JACKSON. I told you before that the union affairs and the Board affairs were in the hands of Mr. Lafferty.

Mr. KENNEDY. So you didn't have anything to do with that?

Mr. JACKSON. No, sir.

Mr. KENNEDY. What was this literature or this letter—did you say you prepared something for them?

Mr. JACKSON. I think there was a letter prepared—well, I don't remember exactly, whether there was a letter prepared urging everyone to go out and vote—

Mr. KENNEDY. But not for or against the union?

Mr. JACKSON. I am sure of that, sir.

Mr. KENNEDY. Both Mr. Mennen and Mr. Oldenburg stated that they were neutral, and you say that is correct.

Mr. JACKSON. I think that is true.

Mr. KENNEDY. I will ask you if this refreshes your recollection.

The CHAIRMAN. The Chair presents to you a letter dated May 12, 1954. It seems to be a form letter signed by Mr. George Mennen. Will you examine it and state if you identify it, and if that is something you helped prepare while you were there?

State if that letter was distributed to the employees.

(Document handed to witness, who conferred with his counsel.)

Mr. JACKSON. I think I partook in the drafting of this letter.

The CHAIRMAN. In the preparation of it?

Mr. JACKSON. Yes.

The CHAIRMAN. That letter may be made exhibit 40.

(The document referred to was marked "Exhibit No. 40" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Was that letter distributed, that circular or letter, whatever you term it, to the employees of the company?

Mr. JACKSON. I don't know how it was distributed, sir, whether by hand or by mail or what.

The CHAIRMAN. But you understood it was distributed?

Mr. JACKSON. If that was written, and it was, I am sure it was written to be distributed, and was distributed.

The CHAIRMAN. All right.

Mr. KENNEDY. Would you read it for us, Mr. Jackson?

Mr. JACKSON. What is that?

Mr. KENNEDY. Would you read the letter for us?

Mr. JACKSON. Sure.

The CHAIRMAN. I understood this letter goes to the question of the company being neutral or being actively favoring one side or the other.

Mr. JACKSON. That is right. And neutrality is not embossed on its face.

The CHAIRMAN. Proceed.

Mr. JACKSON (reading):

DEAR EMPLOYEE: The unions have been telling you that if you vote "neither" (that is for no union) in Friday's election, your wages could be cut, your benefits taken away, people laid off or fired, and in other ways this place made not fit to work in.

The Mennen Co. assures you that this is not true.

The Mennen Co. has and always will take care of its employees.

Now, at last, you have the opportunity to speak your piece on this whole question. Do it by voting on Friday. Here are a few things for you to keep in mind.

No one can deny you the right to cast a ballot and there is no one who can say to you that you must vote in any particular way. You have the absolute right to vote "neither." Just because you may have signed a union card in the past or paid dues *does not* mean that you have to vote for a union. You still can vote "neither."

The Mennen Co. believes that you should vote "neither." You will continue to be fairly treated without having to pay dues or any money to anybody.

This is undoubtedly as important an election as you have ever voted in. Remember you have the full right to vote against both unions and you can be assured that no one will discriminate against you in any way because of your decision. No one will know how you vote unless you tell.

I sincerely hope you will do your duty and go to the cafeteria and vote. Make it a wise choice, one that will assure *you peace, the right to work at your job without interference, and the very best of working conditions.*

Be sure to vote. Don't ever let anyone say that things would have been different if every employee had voted. The Mennen Co. wants everyone to vote.

Sincerely,

GEORGE MENNEN.

The CHAIRMAN. Thank you very much.

Mr. KENNEDY. It does give the company's situation in that letter, does it not?

Mr. JACKSON. It apparently does, sir.

Mr. KENNEDY. Would you read that again?

Mr. JACKSON. No. I think one reading is sufficient.

Mr. KENNEDY. Then pass it up here.

It says here—

The Mennen Co. believes that you should vote "neither." You will continue to be fairly treated without your having to pay dues or any money to anybody.

The CHAIRMAN. I want to get something understood here. Is that when they were trying to get decertification of the 102 or was that when there was an election to determine whether you have the other union?

Mr. JACKSON. What was the date of that letter, sir?

The CHAIRMAN. May 12, 1954. This was after you had gotten rid of the local 102 or the Dio group, is that correct?

Mr. JACKSON. No, I don't think so. The election—

The CHAIRMAN. I am asking. I am not sure.

Mr. JACKSON. What was that date again?

The CHAIRMAN. May 12, 1954.

Mr. JACKSON. On May 12, 1954, there was a petition for an election, and on the ballot were the chemical workers union and the Dio union. So there were three boxes on that ballot.

The CHAIRMAN. That is all I wanted to get. I wanted to get it clear. All of it was an issue at that time?

Mr. JACKSON. That is right. That was in context with that election.

Mr. KENNEDY. And you helped prepare this letter, did you not?

Mr. JACKSON. Yes. Of course, you understand, Mr. Kennedy, that I had no idea until this morning what you were going to talk to me about.

Mr. KENNEDY. All we want is the truth.

Mr. JACKSON. That is right. But if you had let me refresh my recollection from some of the things that I may have had in my files, it would have been very, very helpful. But I am very willing, sir, to take your refreshment of recollection all the way through.

Mr. KENNEDY. Thank you very much.

Mr. JACKSON. Yes, sir.

Mr. KENNEDY. We have had that experience before.

Mr. JACKSON. Yes.

Mr. KENNEDY. I want to turn to another matter before we call another witness.

(At this point Senator McClellan left the hearing room.)

Mr. KENNEDY. I would like to ask you about this document.

Did you have anything to do with the Englander Co., Mr. Jackson?

Mr. JACKSON. Yes, sir.

Mr. KENNEDY. What work did you do with the Englander Co.?

Mr. JACKSON. I negotiated with the company's attorney at the Brooklyn plant when they were in business there.

Mr. KENNEDY. Who was that that you negotiated with?

Mr. JACKSON. What?

Mr. KENNEDY. Who did you negotiate with?

Mr. JACKSON. With the Furniture Workers, CIO, the bedding division. I forget the local number. Do you remember what that local number was?

Mr. KENNEDY. The furniture workers, was it?

Mr. JACKSON. Yes.

Mr. KENNEDY. When was that? When did those negotiations take place?

Mr. JACKSON. Would you help me out on that?

Mr. KENNEDY. About 1953 or 1954?

Mr. JACKSON. It could be.

Mr. KENNEDY. Did you ever make a suggestion to them that you could get a friendly union in there?

Mr. JACKSON. I made no suggestion.

Mr. KENNEDY. You made no suggestion about getting any kind of a union in there?

Mr. JACKSON. No.

Mr. KENNEDY. Did you have anything to do with any Englander plant anyplace else?

Mr. JACKSON. Yes.

Mr. KENNEDY. Whereabouts?

Mr. JACKSON. In Bayonne—Bayonne or Hoboken.

Mr. KENNEDY. Is that where you negotiated with Mr. Abe Lew?

Mr. JACKSON. I did not negotiate with Abe Lew.

Mr. KENNEDY. Who negotiated with Abe Lew?

Mr. JACKSON. I think it was Shelton Shefferman.

Mr. KENNEDY. But you had something to do with that one also?

Mr. JACKSON. To this extent: The company had a very unsatisfactory relationship with this furniture workers' union, which was Communist dominated. It was run by two well-known Communists by the name of Bernie Mintner and Alex Sirota, who gave ulcers to a great many people over the years.

Mr. KENNEDY. Did you have any conversations or conferences, you and Mr. Shefferman, with Mr. Abe Lew, prior to the time that the plant opened there?

Mr. JACKSON. I met Abe Lew perhaps 2 or 3 times. I had no such conversations. That matter was handled primarily by Mr. Shefferman, or absolutely by Mr. Shefferman.

Mr. KENNEDY. Were you aware that such conversations took place with Mr. Abe Lew, to try to get Mr. Abe Lew to bring his union in there prior to the opening of the plant?

Mr. JACKSON. In Bayonne?

Mr. KENNEDY. Yes.

Mr. JACKSON. I was aware of it.

Mr. KENNEDY. He approached Mr. Abe Lew and tried to get him to bring his union into the plant?

Mr. JACKSON. I think you ought to ask him those questions.

Mr. KENNEDY. I am asking you.

Mr. JACKSON. I do not——

Mr. KENNEDY. I am asking you if you were aware of it.

Mr. JACKSON. Yes; I was aware that they were trying to escape the Communists very badly.

Mr. KENNEDY. Mr. Chairman, we have tried to get in touch with Mr. Abe Lew, but he is in the hospital and too sick to come.

What about Englander anyplace else, Mr. Jackson?

Mr. JACKSON. Could you help me out on that?

Mr. KENNEDY. What about Pittsburgh?

Mr. JACKSON. Yes, Pittsburgh; a long time ago.

Mr. KENNEDY. How long ago was that?

Mr. JACKSON. Perhaps about 10 years ago. That was about 10 years ago.

Mr. KENNEDY. Was it that long ago?

Mr. JACKSON. I don't recall.

Mr. KENNEDY. About 1955 did you have anything to do with the Englander Co. in Pittsburgh?

Mr. JACKSON. I don't recall that, sir.

Mr. KENNEDY. Did you ever make any suggestions regarding the Englander plant in Pittsburgh, to get a certain union into that plant?

Mr. JACKSON. I don't believe I did.

Mr. KENNEDY. Did anybody?

Mr. JACKSON. It may have been the company and Mr. Shefferman. I am not sure.

Mr. KENNEDY. What union did you have in mind?

Mr. JACKSON. I don't know.

Mr. KENNEDY. Did such conversations take place that you were aware of?

Mr. JACKSON. I dimly recall overhearing such conversations. I don't think I was a part of it. I am sure I was not.

Mr. KENNEDY. Was it the teamsters union or was it another union that they were trying to get in there?

Mr. JACKSON. If you have that, wouldn't you be gracious enough to tell me?

Mr. KENNEDY. I am just trying to find out. It is 1955.

Mr. JACKSON. Dear sir, you bring me down here barehanded, on a bare slate. If you wanted that information, give me an opportunity to find out what I did. I have been in the situation for over 20 years. I have been bargaining, kicked around by unions and so on. I can't remember all these things.

Mr. KENNEDY. We will try to refresh your recollection.

Mr. JACKSON. I will be very happy to.

Senator GOLDWATER. I have what appears to be an interoffice memorandum from L. J. to the files, subject: Englander, Pittsburgh. It says:

Consider turning over to toy and novelty workers. Mr. Milton Gordon's man is Sol Sobol, Central Building, Wilkes-Barre, Pa. Telephone Valley 4-1657. Address of company is 1825 Liverpool. Manager is McDonald.

It appears to have been signed by Mr. Jackson. Would you identify this?

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. JACKSON. That is not my signature, but that does not attack the validity of the memorandum.

Mr. KENNEDY. I believe it is Mr. Shefferman's signature.

Mr. JACKSON. I don't recognize the writing.

(At this point Senator McClellan entered the hearing room.)

Mr. KENNEDY. What is the year of the memorandum?

Mr. JACKSON. Are you offering that in evidence?

Senator GOLDWATER. Do you want it offered in evidence?

Mr. KENNEDY. Yes, as an exhibit.

Senator GOLDWATER. That will be made a part of the record and will be exhibit No. 41.

(The document referred to was marked "Exhibit No. 41" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. It states, "Consider turning over to toy and novelty workers." What does that mean?

Mr. JACKSON. As I recall it now, there was a desire on the part of the company that its plants be unionized. I was asked by Mr. Shefferman whether I knew of some group that the company might be interested in having in that plant. That suggestion was made.

Mr. KENNEDY. Are you aware of the general reputation of the toy and novelty workers?

Mr. JACKSON. No, not too well, but I think I know something about them. I never had any dealings with—who is it, Powell? Hyman Powell?

Mr. KENNEDY. That is the jewelry workers. The toy and novelty is different.

Mr. JACKSON. I thought it was Hyman Powell.

Mr. KENNEDY. No, toy and novelty. You have here "Consider turning over to toy and novelty union." That is Mr. Milton Gordon. Do you know him?

Mr. JACKSON. I have met him on occasion, yes.

Mr. KENNEDY. Do you know his general reputation?

Mr. JACKSON. No.

Mr. KENNEDY. What?

Mr. JACKSON. No. He has been in the movement a long time.

Mr. KENNEDY. He certainly has. Why were you suggesting turning this Englander Mattress Co. over to the toy and novelty workers union?

Mr. JACKSON. I don't know. The company expressed the desire to have them organized. For years the only plant that was organized was this Brooklyn plant. What change in company policy took place I don't know. I was not responsible for it.

Mr. KENNEDY. The toy and novelty workers union has a reputation, at least, of being a very corrupt union.

Mr. JACKSON. I don't know that, sir.

Mr. KENNEDY. Why would you be suggesting to the Englander Mattress Co. to turn over this plant to the toy and novelty workers union?

Mr. JACKSON. I don't know. There may have been—

Mr. KENNEDY. They were looking for a union, and you came up with the toy and novelty workers?

Mr. JACKSON. I don't recall that.

Mr. KENNEDY. You can't recall that, either?

Mr. JACKSON. No. I would let the memorandum speak for itself, because I have no independent recollection of it.

Mr. KENNEDY. Did you have any further conversations on that matter?

Mr. JACKSON. No, sir.

Mr. KENNEDY. Would you have him identify this, Mr. Chairman?

The CHAIRMAN. I hand you another interoffice memorandum dated June 20, 1955; subject, Milton Gordon.

I ask you to examine it and state if you identify it.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. JACKSON. That is a memo from my desk.

Mr. KENNEDY. Can I have the memo?

May we have this made an exhibit, Mr. Chairman?

The CHAIRMAN. Yes. That will be exhibit No. 42.

(The document referred to was marked "Exhibit No. 42" for reference and may be found in the files of the select committee.)

Mr. ATLAS. What is the date of that?

Mr. KENNEDY. The date is June 20, 1955. It says: "L. J.'s desk." I believe "L. J." is you?

Mr. JACKSON. That is right, and my desk.

Mr. KENNEDY (reading):

Subject: Milton Gordon. June 20, 1955.

Gordon called L. J. in Chicago about June 10; stated that his man Lew Cole in Los Angeles did not have success with the teamster west-coast man. He asked whether NWS—

who I believe is Nathan Shefferman—

might direct him to Joe Divaney, whose address is 25 Taylor Street, San Francisco. Shelly states that the men there are Jack Annon and Joe Dillon.

What is all that about?

Mr. JACKSON. I was merely reporting a message given to me by Gordon. I don't know any of the men, who they are, who are named there.

Mr. KENNEDY. You know Milton Gordon?

Mr. JACKSON. Yes. I say those other men.

Mr. KENNEDY. What was he reporting about?

Mr. JACKSON. The memo will speak for itself. He was reporting—may I see the memo, please?

(The document was handed to the witness.)

Mr. JACKSON. I think this had connection with the attempts to organize the Englander plant in Los Angeles.

Mr. KENNEDY. How did the toy and novelty workers get involved in that?

Mr. JACKSON. I don't know.

Mr. KENNEDY. You must know something about it. You were writing memos about it.

Mr. JACKSON. In this case, I was reporting a conversation to Mr. Shefferman about three men whom I don't know.

Mr. KENNEDY. Yes, but you were called by Mr. Milton Gordon, who you did know.

Mr. JACKSON. Yes; that is true.

Mr. KENNEDY. This memorandum doesn't refresh your recollection at all as to what you were talking about in the memorandum?

Mr. JACKSON. It was in connection with organization of the plant, apparently, of the Englander plant in Los Angeles.

Mr. KENNEDY. Again, the toy and novelty workers attempting to come into the Englander plant?

Mr. JACKSON. Out there?

Mr. KENNEDY. Yes.

Mr. JACKSON. I don't know who those three men are. If you will tell me who those three men are, and what unions they are in, I will tell you.

Mr. KENNEDY. Joe Divaney is a teamster and Dillon is a teamster on the west coast.

Mr. JACKSON. Who is Cole?

Mr. KENNEDY. In Los Angeles, it says:

Gordon called L. J. in Chicago about June 10 stated that his man Lew Cole in Los Angeles did not have success with the teamster west coast man.

Mr. JACKSON. I was just reporting a message, sir.

Mr. KENNEDY. That is all for now, Mr. Chairman.

One moment, please.

Answer me this: How did you divest yourself of Nathan W. Shefferman, or he divest himself of you? How did that happen? How did you go about doing that?

Mr. JACKSON. I called him and told him that I wanted to leave. I wanted to buy him out. I set up my own corporation, and have not seen him or talked to him since, except through counsel.

Mr. KENNEDY. And you bought these clients?

(The witness conferred with his counsel.)

Mr. KENNEDY. You bought him out, did you, these clients?

Mr. JACKSON. Yes.

Mr. KENNEDY. And you continued to service the same clients that you had before?

Mr. JACKSON. Yes, sir.

Mr. KENNEDY. They are the same clients that you had at the time you were with Mr. Nathan Shefferman?

Mr. JACKSON. Yes, in my own autonomous region.

Mr. KENNEDY. And you are performing the same kind of services for them at the present time?

Mr. JACKSON. Yes, sir.

Mr. KENNEDY. You are still with the Mennen Co.?

Mr. JACKSON. Yes, sir.

The CHAIRMAN. Are there further questions?

Senator GOLDWATER. I have some questions, but if the chairman wants to recess for lunch, I will be happy to wait.

Mr. ATLAS. Will the questions be long questions? Will they take some time?

Senator GOLDWATER. They won't be long questions, but there might be a number of them.

The CHAIRMAN. The committee will stand in recess until 2 o'clock.

(Members of the select committee present at time of recess: Senators McClellan, McNamara, and Goldwater.)

(Whereupon, at 12:40 p. m. the select committee recessed, to reconvene at 2 p. m. the same day.)

AFTERNOON SESSION

The CHAIRMAN. The committee will come to order.

TESTIMONY OF LOUIS JACKSON, ACCOMPANIED BY HIS COUNSEL, NICHOLAS ATLAS—Resumed

The CHAIRMAN. Senator Goldwater, you may proceed with your questions.

Senator GOLDWATER. Mr. Jackson, I want to ask you these questions because since I have been in these hearings, you are the first person who has had actual experience in the whole field that you are testifying to.

I wanted to get some of these answers in the record. Unfortunately for myself, I will not be here after tomorrow.

When you were working with Labor Relations Associates, do you have any idea of how many cases that firm handled during the time you were with them?

Mr. JACKSON. I think in the thousands, sir.

Senator GOLDWATER. Would you say 2,000 or 3,000?

Mr. JACKSON. I wouldn't know. I would say perhaps 2,000.

Senator GOLDWATER. During the time you were with this organization of Mr. Shefferman, did you work for both management and unions?

Mr. JACKSON. No, sir.

Senator GOLDWATER. Just for management?

Mr. JACKSON. Just for management.

Senator GOLDWATER. Would you tell us briefly how you operate when a person calls you or writes you to come and do a job for them?

Mr. JACKSON. Senator, what I usually do is make a survey of their current practices, personal practices. I will analyze their entire personnel procedures, look at their forms, which means application blanks and so on; will ask questions about their sources of employment, USES, the families of employees; I will talk to them about methods of their recruitment and interviewing procedures, making

notes all the time of what they are telling me for purpose of future recommendations.

I talk about methods of induction of new employees, training of new employees, rating of new employees, probationary period practices, training and retraining of regular employees. All these things will mean more to us as a department store man.

Practices affecting part-time employees, benefits accruing to them as distinguished from full-time employees. We look at their wage-and-hour standards and their merit rating, if they have any, wage progressions and job classifications, job analyses and promotion and transfer systems.

We look through their records. We find out what methods they have of employee communication, such as newspapers and employee handbooks and so on. We ascertain what sort of suggestion system they have and how they go about it, what sort of safety program they have, what sort of sports and entertainment program, the company publications.

We look into their fringe benefits for comparison with the area, insurance, pensions, holidays, vacations, employee discounts on purchases, clothing allowance, sick leave, travel allowance, reduced work-week, and so forth.

We look into their general compensation plans for their supervisors. We look into their whole practice of getting reference checks on the new employees. We attend supervisory meetings, and if they have none we take steps to initiate them.

We teach the how—teach the supervisors how—to appreciate and live with their people. We preach giving the supervisors the responsibility in personnel functions, in training and retraining supervisors, their own merit rating, and the merit rating of the subordinates under them, recommendations and promotions by supervisors.

We study the area wage rates in conjunction with the company's own sources. We attempt to correlate job titles and descriptions. We develop certain reporting forms on absenteeism, and so forth. We counsel them on morale surveys.

You know, there are a great many companies like Science Research Associates. We counsel on that because that is one way of evaluating employee attitude. We have, in cases, devised a homemade morale survey through the use of supervisors, because if the supervisors undertake to do that, they understand it, and it becomes their project. We try to help the company get the best of aptitude tests. We will help them in connection with their incentive plans. We have written a large number of employee handbooks. We rewrite employee and company rules to make them more palatable, instead of the usual "don't's," "you must not's," and "something that you do you may get fired," and that sort of thing. We help write messages to employees, at Christmastime and so forth.

We help companies institute service awards, the 5-year pin, the 10-year pin. We prepare the necessary personnel forms, warning interviews, exit interviews, employee requisitions, lateness and absenteeism reports, timekeeping records and statistics.

We study and review with them general labor relations trends in the industry.

(A list of services follows:)

PERSONNEL PROGRAM

- I. Survey of current personnel practices of employer through questionnaire.
- II. Analysis of structure of personnel department.
- III. Analysis of personnel procedures.
 - (a) Procedural forms.
 - (b) Sources of employment.
 - (c) Methods of recruitment.
 - (d) Interviewing procedures.
 - (e) Methods of induction of new employees.
 - (f) Training of new employees.
 - (g) Rating of new employees.
 - (h) Probationary period practices.
 - (i) Training and retraining of regular employees.
 - (j) Practices affecting part-time employees.
 - (k) Wage and hour standards.
 - (l) Merit rating.
 - (m) Wage progressions.
 - (n) Job classifications.
 - (o) Job analysis.
 - (p) Promotions.
 - (q) Transfers.
 - (r) Records systems.
 - (s) Employee communications.
 - (t) Suggestion system.
 - (u) Safety program.
 - (v) Sports and entertainment programs.
 - (w) Handbook and company publications.
 - (x) Fringe benefits—insurance, pensions, holidays, vacations, discounts, clothing allowance, sick leave, travel allowance, reduced workweek.
 - (y) Compensation plans—supervisory and nonsupervisory.
 - (z) Obtaining and use of new employee references.
- IV. Initiation of meetings of supervisors on personnel matters.
 - (a) Teaching appreciation to supervisors of personnel department and functions.
 - (b) Getting supervisors to know their people.
 - (c) Giving supervisors responsibility in such personnel functions as, e. g., training and retraining, merit rating, recommendations or promotions, morale building within department.
- V. Study of area wage rates and participation in wage surveys.
 - (a) Personnel group activity in conjunction with other employers in area
 - (b) Correlating job titles and descriptions.
 - (c) Development of reporting wage sheets.
 - (d) Study of wage composite surveys.
 - (e) Report of recommended changes as result of survey.
- VI. Study of area fringe benefits and recommendations for change.
- VII. Devising and conducting morale surveys.
 - (a) Questionnaire.
 - (b) Analysis of results.
- VIII. Aptitude tests.
- IX. Incentive plans for personnel.
- X. Development of house organs and employee newspaper.
- XI. Installing or amending employee handbooks.
- XII. Employee and company rules.
- XIII. Drafting of letters and messages to employees.
- XIV. Instituting service awards.
- XV. Preparation of needed personnel forms, employment application, employee interview records, warning notices, exit interviews, employee requisitions, lateness and absenteeism reports.
- XVI. Controls on use of discount privileges.
- XVII. Timekeeping record and statistics.
- XVIII. Study and review of general labor relations trends in the industry.
- XIX. Assistance to counsel and company officials in connection with labor proceedings.
- XX. Assistance to counsel and/or company officials in connection with negotiations with unions representing employees.
- XXI. Institution of suggestion systems and awards for suggestions.

XXII. Institution of committees of employees designed for employees' participation in matters of housekeeping, safety, recreation, newspaper reporting, suggestions, sunshine funds, charity drives.

XXIII. Institution of program of conferences with individual employees re benefits and job skills.

XXIV. Discussions and consultation with personnel director and staff.

XXV. Reports on trends in laws relating to hours of work, minimum wage and hour law, child and women labor restrictions, wage board hearings, labor relations, Federal wage-and-hour law.

XXVI. Assisting in recruiting and selection of personnel of personnel department.

Senator GOLDWATER. In that respect, let me ask you this question: Is your employment always for the purpose of preventing organization?

Mr. JACKSON. By no means, sir.

Senator GOLDWATER. Would that constitute a large part of your practice?

Mr. JACKSON. No.

Senator GOLDWATER. A relatively small part?

Mr. JACKSON. Yes. I wouldn't say a relatively small part. The word "small" is a difficult thing to describe. I would rather put it this way, Senator. The area of my work is negotiations with unions where they are there, and assisting their counsel in connection with them. The major portion of my work is to go in and survey and do the things I am talking about.

On the third, we are called in sometimes when there is a union drive on or there is an attempt to get in from the top down through organizational picketing.

Senator GOLDWATER. Let me ask you this question: Are the firms that you represent usually small firms or are they mixed up?

Mr. JACKSON. The firms I represent are small firms in number of employees.

Senator GOLDWATER. Firms that couldn't afford to have their own labor relations department?

Mr. JACKSON. Well, there are some larger department stores with whose counsel I work because of my greater knowledge of the personnel factor of labor relations and personnel relations work.

Senator GOLDWATER. How many clients do you have now?

Mr. JACKSON. I think perhaps about 60. Your question takes me off guard because I don't know.

Senator GOLDWATER. Do you do this work you are describing for these 60 on a regular basis, that is, month by month and year by year?

Mr. JACKSON. Most of my clients, sir, are on a retainer basis.

Senator GOLDWATER. But you perform these functions that you are outlining?

Mr. JACKSON. Yes. We are continually doing some of these things for them and with them.

Senator GOLDWATER. How many people are in this field? How many firms are operating in this field?

Mr. JACKSON. I think they are legion, sir. I don't know whether there are many large ones. Stevenson, Jordan & Harrison, for example, who are general industrial engineers, do have labor relations men on their staffs. Most industrial management concerns have labor relations men on their staffs who do this type of work for some of their clients. There are a great many attorneys who do this type of work.

Not in the exact sense that I do. I think that I, insofar as these attorneys are concerned, know a good deal more about the things I am mentioning here, because that is what my mind and my ear is attuned to.

Senator GOLDWATER. You mentioned attorneys. Do you find a shortage of attorneys who understand labor law?

Mr. JACKSON. Yes, sir; very definitely, although the shortage is rapidly disappearing with the increasing union activity.

Senator GOLDWATER. Mr. Chairman, I do not want to prolong the questioning by having him answer completely the first question I asked him. I see he has it written down. I would like to suggest that it may be made a part of the record so that we can refer to it in our studies.

Mr. JACKSON. I will be glad to.

The CHAIRMAN. Do you want it as a part of the record or just filed?

Senator GOLDWATER. He read most of it into the record. I think if we would include what he didn't, it would be fine.

The CHAIRMAN. If you will submit it, the Chair will suggest that at the place where you were reading it into the record, it be printed in full.

Senator GOLDWATER. If you will, please, that will be fine.

That is all I have.

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. Since you have set up your own corporation, do you have a charter? Is it with the State of New York?

Mr. JACKSON. No, I am a Delaware corporation, Senator.

Senator McNAMARA. A Delaware corporation?

Mr. JACKSON. Yes, sir.

Senator McNAMARA. Was the previous corporation a Delaware corporation also?

Mr. JACKSON. No. That was an Illinois corporation, is my recollection.

Senator McNAMARA. I see.

You indicated that you are continuing to serve approximately the same accounts that you previously had under the Shefferman setup.

Mr. JACKSON. That is right.

Senator McNAMARA. And I suppose you will perform the same services and have the same policies that you have indicated in this memorandum that you just put into the record?

Mr. JACKSON. That is right. The policies that I have followed in my area.

Senator McNAMARA. Generally, the committee can assume that you will continue the same as you have in the past, except that you are now operating independently?

Mr. JACKSON. That is right.

Senator McNAMARA. In other words, the name is the only thing that has changed?

Mr. JACKSON. Yes, insofar as my clients are concerned. The name is the only thing that has changed.

Senator McNAMARA. We had some testimony yesterday, and I don't know whether you were present or not, involving a Mr. Katz who came in on the plant in Brooklyn, the Englander plant. That was in your area and that was one of your accounts?

Mr. JACKSON. The Englander account was not my account. The Englander account, like a number of other accounts in New York, was the account of Chicago. I was assigned by Mr. Shefferman to do that negotiation with those two charming men I told you about.

Senator McNAMARA. Well, to that end it was your account?

Mr. JACKSON. Yes.

Senator McNAMARA. In a limited way. You didn't get it originally, but it became part of your operation by reference from the Chicago office?

Mr. JACKSON. That is right, Senator.

Senator McNAMARA. Did you meet Mr. Katz when he was in New York?

Mr. JACKSON. I don't recall the gentleman.

The CHAIRMAN. The Chair was going to remark that he didn't see how you could ever forget him, if you had met him.

All right.

Senator McNAMARA. Did you enter into the payment of \$2,800 to Mr. Katz?

Mr. JACKSON. The first notice I ever got of it was what I read in the papers and heard through the testimony yesterday. I took no part in it.

Senator McNAMARA. From that answer, I assume you did not.

Mr. JACKSON. The answer is "No."

Senator McNAMARA. With reference to the Boston situation, I understood that you paid some of these officials of the employees council some money that was to compensate them for loss that they would have had from their personal employment. You paid them in cash?

Mr. JACKSON. I don't want to appear to be laboring the point, but the company paid these moneys. I made some of those payments—

Senator McNAMARA. I thought you previously testified that you paid them.

Mr. JACKSON. No, it was the company funds.

Senator McNAMARA. But you paid them, you physically paid them?

Mr. JACKSON. Yes.

Senator McNAMARA. That is the point I am making. You physically paid them with money that was furnished to you?

Mr. JACKSON. Yes, sir.

Senator McNAMARA. Was this money in cash?

Mr. JACKSON. Yes, sir; in cash. Its source I don't know.

Senator McNAMARA. Somebody furnished you with cash?

Mr. JACKSON. The company furnished the cash.

Senator McNAMARA. Who in the company furnished the cash? Do you know that?

Mr. JACKSON. In most instances it was brought to me by Mr. Rohrdanz.

Senator McNAMARA. By whom?

Mr. JACKSON. Mr. Rohrdanz.

Senator McNAMARA. What was his position?

Mr. JACKSON. He was superintendent of the store. No, he was assistant superintendent of the store and then superintendent of the store, and then he became the area personnel man.

Senator McNAMARA. So he personally gave you the cash that you handed on to these people?

Mr. JACKSON. Yes. Sometimes it was sent to me by messenger from the Fenway store.

Senator McNAMARA. But it would be the same man sending it; is that right?

Mr. JACKSON. Yes.

Senator McNAMARA. And this money that was paid for expenses, such as lunches and dinners, was that paid to you in advance also, or was that collected later?

Mr. JACKSON. No. I laid that out and reported it on the daily report forms.

Senator McNAMARA. So there was a difference in the manner that the employees were——

Mr. JACKSON. A very substantial difference, sir.

Senator McNAMARA. You don't have any accounting for that different method, why in one instance you paid out your company's funds and were compensated for it and in the other instance you were paid by the company directly?

Mr. JACKSON. Well, this other matter was quite unusual, and the company wanted me to see to it that the people received this money. I said, "You get me the money and they will receive it."

I was not going to put it on my expense account.

Senator McNAMARA. That was the usual procedure?

Mr. JACKSON. Yes.

Senator McNAMARA. One of your accounts is still the Mennen Co., as I understand it?

Mr. JACKSON. Yes, sir.

Senator McNAMARA. Did you participate in the preparation of the statement that they made here today?

Mr. JACKSON. The letter that was read?

Senator McNAMARA. No. The statement.

Mr. JACKSON. No. As a matter of fact, I had to scurry around to get one.

Senator McNAMARA. I notice you had to scurry around to get one, but I thought your familiarity with it, once you received it, indicated it wasn't new to you. That is why I asked the question.

(The witness conferred with his counsel.)

Mr. JACKSON. No, I didn't write it. I didn't participate in the writing of it.

Senator McNAMARA. I asked you if you participated in writing it, because when you did scurry around and obtained a copy, you seemed to know about it.

Mr. JACKSON. I read it over there. One of the good reporters gave it to me.

Senator McNAMARA. You did read it?

Mr. JACKSON. Yes, sir.

Senator McNAMARA. That is all.

The CHAIRMAN. Mr. Jackson, do you have a list of your present clients?

Mr. JACKSON. Not with me, sir.

The CHAIRMAN. Will you supply that for the committee, not for the record but we just want it for reference.

Mr. JACKSON. May I ask a question, sir, or make a request?

The CHAIRMAN. Yes, sir.

Mr. JACKSON. The publication of the list of clients of Labor Relations Associates, the quantum clients, for the most part, disturbed me no end and disturbed a number of companies no end.

The CHAIRMAN. This is not for the purpose of publication.

Mr. JACKSON. May I have that assurance?

The CHAIRMAN. It is not for publication.

Mr. JACKSON. I will be grateful for that.

The CHAIRMAN. I don't mean that none of your clients will ever be known, but the purpose of obtaining the list is not to secure it to publish it.

Mr. JACKSON. Mr. Kennedy has a certain amount of omniscience. I know. I will give him the whole list.

Shall I send it to counsel or to you?

The CHAIRMAN. Address it to the committee.

Mr. JACKSON. To the committee. Thank you.

The CHAIRMAN. Is there anything further?

Thank you very much.

Mr. ATLAS. Will you want us any further today? Or any further?

Mr. JACKSON. Mr. Chairman, I have been immobilized since October 21. I have been waiting day to day for calls. I know Mr. Salinger has done his very best to give me as much notice as he could, but I came down here on Monday, and then Mr. Atlas got a call late Monday night that I should not come down, and here I was. I have been out of business for 8 or 9 days.

I am an awfully busy man and I would like to be excused.

The CHAIRMAN. I can appreciate those problems. The Chair regrets that they occur. But there is no way to know how fast you can expedite a lawsuit or expedite an investigation.

Mr. ATLAS. Are we excused now?

Mr. KENNEDY. I might say what he has given, his testimony here before the committee, will be directly refuted by a witness to follow.

The CHAIRMAN. You may remain here for a little while. We will try to excuse you after the other witness testifies.

Mr. JACKSON. Thank you.

The CHAIRMAN. We will try to excuse you during the day.

Call the next witness.

Mr. KENNEDY. Mr. Nagle.

(Committee members present at this point: Senators McClellan, Ives, Goldwater, and McNamara.)

The CHAIRMAN. Will you be sworn, please. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you?

Mr. NAGLE. Yes, sir.

TESTIMONY OF DAVID NAGLE

The CHAIRMAN. State your name, your place of residence and business, your occupation.

Mr. NAGLE. My name is David Nagle. I live at 49 Pollard Road, Mountain Lakes, N. J. I am the manager of employee relations for the Aniline & Film Corp. in New York City.

The CHAIRMAN. Have you counsel or do you waive counsel?

Mr. NAGLE. I waive counsel.

The CHAIRMAN. Thank you.

Mr. Kennedy?

Mr. KENNEDY. Mr. Nagle, for a period of time you were with the Mennen Co.?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. What period of time?

Mr. NAGLE. Approximately 1953 to March or April 1955.

Mr. KENNEDY. And what position did you hold?

Mr. NAGLE. Personnel manager.

Mr. KENNEDY. Of the plant in Morristown?

Mr. NAGLE. Well, that was the company sir. It was a combination of a plant and office, general headquarters, and I was the personnel manager for the company.

Mr. KENNEDY. Up until 1955?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. You were there, were you not, when Labor Relations Associates were employed to perform certain services?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Could you tell the committee when you first heard of Labor Relations Associates and under what circumstances?

Mr. NAGLE. I was asked by the plant manager, Mr. Oldenburg, to accompany him to Newark to meet a man who, he said, was a labor-relations man and could possibly help us out.

Mr. KENNEDY. What were you trying to get helped out with at that time?

Mr. NAGLE. We were trying to do something about Mr. Dioguardi.

Mr. KENNEDY. You were trying to do something about Mr. Dioguardi's union?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. That is the reason you went to Labor Relations Associates at that time in 1953?

Mr. NAGLE. As I understood it, sir.

Mr. KENNEDY. That is what Mr. Oldenburg told you at that time?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Did you meet with them? Did you meet with somebody representing LRA at that time?

Mr. NAGLE. I met with Mr. Jackson in the lobby of the hotel in Newark.

Mr. KENNEDY. In a lobby of the hotel?

Mr. NAGLE. The Hotel Robert Treat, in Newark.

Mr. KENNEDY. Who accompanied you?

Mr. NAGLE. Just Mr. Oldenburg.

Mr. KENNEDY. And the two of you met Mr. Jackson at that time?

Mr. NAGLE. Yes.

Mr. KENNEDY. What was discussed in that first conversation?

Mr. NAGLE. Mostly the union situation, the fact that we had local 649 in there, that it was causing a problem, and we would just as soon not have it in there.

Mr. KENNEDY. What advice did he give you at that time? Relate the conversation, what he said to you.

Mr. NAGLE. We described the employees' dissatisfaction with the union, the notoriety attached to Mr. Dioguardi's name, and felt that the employees would be a lot better off if they were not represented by Mr. Dioguardi's union. We pondered what could be done. The conversation then turned to Mr. Jackson's listing of possible remedies.

At that time, I think he mentioned the fact that it would probably be fairly easy for another union to move in there and replace 649.

Mr. KENNEDY. Arrangements could be made to perhaps get rid of this union and have another union move in in its stead.

Mr. NAGLE. Well, I think the conversation then just went as far as to say it would be easy to move another union in there because of the situation.

Mr. KENNEDY. Had you known that LRA and Mr. Jackson had been employed before by the company back in 1951?

Mr. NAGLE. No, sir.

Mr. KENNEDY. This was your first connection with them?

Mr. NAGLE. That is right.

Mr. KENNEDY. And they were brought in at that time, in 1953, for the purpose, at least as it was described to you, for the purpose of getting rid of local 649; is that right?

Mr. NAGLE. On the basis of that meeting, which was the only thing I knew; yes, sir.

Mr. KENNEDY. Did you have any further meetings with Mr. Jackson?

Mr. NAGLE. Yes; quite a few. He came out to the plant quite regularly and we met, Mr. Oldenburg, Mr. Jackson, and myself, and sometimes, Mr. Lafferty.

Mr. KENNEDY. What was the topic of conversation at those times, when he came to visit you? Well, the first time, what did you discuss when he came out to the plant?

Mr. NAGLE. We discussed the fact that the employees were dissatisfied with the union that was representing them, and discussed various ways of that union being gotten out of there.

Mr. KENNEDY. Did he have any specific suggestions—Mr. Jackson—at that time?

Mr. NAGLE. The first specific suggestion came from one of his assistants, a Mr. Lewis.

Mr. KENNEDY. What suggestion did they make?

Mr. NAGLE. That they try a decertification or deauthorization petition.

Mr. KENNEDY. That came to you and to who else in the company?

Mr. NAGLE. I know Mr. Jackson was there. I know Mr. Oldenburg was there, and I am fairly certain Mr. Lafferty was, but I can't go further than that.

Mr. KENNEDY. Did he tell you how that would have to be handled, the decertification?

Mr. NAGLE. He explained what it was. I don't think any of us really knew what it was. He explained that it would have to be a spontaneous movement from the employees themselves.

Mr. KENNEDY. What was going to occur? Did he tell you how to handle it?

Mr. NAGLE. Yes. He said one way to handle it was to have a committee of employees work through an outside lawyer and draw up a petition and sign it and send it in. One man would have to lead the thing, one employee.

Mr. KENNEDY. Was it decided that that would be the procedure that would be followed?

Mr. NAGLE. It was decided to go ahead along those lines and try to pick somebody that could do that.

Mr. KENNEDY. So what did you do? How did you go about that, trying to find somebody to do this?

Mr. NAGLE. We had a series of meetings.

Mr. KENNEDY. Who is "we"?

Mr. NAGLE. The attendance varied, but at one time or another they were attended by Mr. Jackson and some of his assistants, Mr. Lafferty, myself, Mr. Oldenburg.

Mr. KENNEDY. Mr. Lafferty is the attorney for the company?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. And he attended a number of these conferences?

Mr. NAGLE. Yes, sir; he did.

Mr. KENNEDY. What was the purpose of these conferences? To try to pick out somebody who could handle it?

Mr. NAGLE. That is right, sir.

Mr. KENNEDY. Did Mr. Jackson emphasize that it would have to appear to be coming from the employees?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Did he emphasize it would have to be spontaneous?

Mr. NAGLE. Yes, sir. He explained the whole thing to us.

Mr. KENNEDY. What did he say about the lawyer? Did he say anything about how you should handle the lawyer part of the matter?

Mr. NAGLE. The only thing I remember about that was that a lawyer was to be picked and handled in such a way that the employees did not know that the lawyer was picked by the company.

Mr. KENNEDY. How were they going to handle that?

Mr. NAGLE. By directing one of the employees to the lawyer.

Mr. KENNEDY. How would they arrange to pay the attorney? How would that be done?

Mr. NAGLE. I don't know how it actually was done, but as far as the discussion was concerned, I think it was to be arranged through Mr. Lafferty.

Mr. KENNEDY. What was the attorney supposed to say to the employee when he came, or what was supposed to be the background?

Mr. NAGLE. Well, the idea was that if it was a fairly young attorney, who was getting started in the business, his excuse for putting out all of this effort on behalf of the employees might be a mixture of reasons, one of which would be that it would give him a chance to meet people and possibly pick up some new clients.

Mr. KENNEDY. So if they got a young, inexperienced attorney, he could give this explanation to the employees when they came to see him; is that right?

Mr. NAGLE. It would certainly fit; yes, sir.

Mr. KENNEDY. And the reason for that explanation being needed was because the employees that would come to the attorney would not have the money to pay him; is that right?

Mr. NAGLE. Yes.

Mr. KENNEDY. And they wanted to keep hidden the fact that the company was paying the attorney?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Is that the explanation as to why the attorney should have this kind of a story?

Mr. NAGLE. I don't know whether it was solely from the employees that they wanted to keep that fact hidden. But I know that fact was to be kept quiet.

Mr. KENNEDY. So at these meetings that you had within the company, did you finally pick or select a man to perform this?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Who was selected?

Mr. NAGLE. A man named James Graham.

Mr. KENNEDY. Did you then get in touch with Mr. Graham?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Did you have a conference with him?

Mr. NAGLE. A very short one; yes, sir.

Mr. KENNEDY. What did you tell him at that time?

Mr. NAGLE. I told him what I had been told to tell him, that I knew about this lawyer who had helped some other employees in a similar situation, and that he might go over and see if he couldn't help them out, and I gave him his name and address.

Mr. KENNEDY. Did you give him a note at that time?

Mr. NAGLE. A little slip of paper with the lawyer's name and address on it.

Mr. KENNEDY. Do you know if Mr. Graham ever went to see the attorney?

Mr. NAGLE. I assume he did.

Mr. KENNEDY. Who had selected the attorney?

Mr. NAGLE. Well, the group had, but I think the main suggestion came from Mr. Lafferty, who, I believe, was acquainted with the lawyer's father.

Mr. KENNEDY. What was the attorney's name?

Mr. NAGLE. Wyckoff.

Mr. KENNEDY. Mr. Wyckoff?

Mr. NAGLE. Yes.

The CHAIRMAN. I present to you a little slip of paper with some names on it, marking his on it. I will ask you to examine it and state if you can identify it and, if so, what it is.

(Document handed to witness.)

Mr. NAGLE. That looks like the one given Mr. Graham, with the attorney's name and address and telephone on it.

The CHAIRMAN. Where did you get it?

Mr. NAGLE. My secretary typed it up. The information on it came from either Mr. Lafferty or Mr. Oldenburg or one of Mr. Oldenburg's assistants. I don't remember.

The CHAIRMAN. That may be made exhibit 43.

(The document referred to was marked "Exhibit No. 43" for reference and will be found in the appendix on p. 6582.)

Mr. KENNEDY. Why was Mr. Graham selected?

Mr. NAGLE. I think the main reason he was selected was because he was also active in support of another union group and this seemed to be a good way of keeping an eye on him, what he was doing all the way around.

Mr. KENNEDY. Although he was against Johnny Dio and the UAW, he was very strongly in favor of the chemical workers union; is that right?

Mr. NAGLE. Yes, sir. He also wielded quite a bit of influence with the employees.

Mr. KENNEDY. And he was selected and met with the attorney, did he, or do you know that?

Mr. NAGLE. I don't know whether he met him. I assume he did.

Mr. KENNEDY. Did Mr. Jackson and his representatives from Labor Relations Associates remain active in the plant, or active out there during this period of time?

Mr. NAGLE. During that period they were pretty active.

Mr. KENNEDY. Was there a petition for decertification circulated in the plant?

Mr. NAGLE. I never saw it. Well, I saw the fact from the Labor Board that it was filed.

Mr. KENNEDY. As well as trying to get rid of Johnny Dio, there was also an effort by some of the employees to bring in the chemical workers, led by Mr. Graham; is that right?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Now, did Mr. Jackson arrange to have any check made on how the employees felt about the union and about the company?

Mr. NAGLE. There were a number of things that were done out of which we got that information.

Mr. KENNEDY. Could you tell us what sort of things were done and what you arranged?

Mr. NAGLE. One of the things was a series of interviews which was an index of industrial skills, which provided for a man, an interviewer, to be alone and provided an opportunity for a skilled interviewer to start a man talking on practically any subject.

Mr. KENNEDY. What was the purpose, or the main purpose of having those interviews?

Mr. NAGLE. The main purpose was to run a cross-index of industrial skills and at the same time there was a record kept or made where possible, of the man's either pro- or anti-union feelings.

Mr. KENNEDY. Were there cards kept on those employees?

Mr. NAGLE. Yes, sir, there was.

Mr. KENNEDY. To show whether he was for or against the union?

Mr. NAGLE. There was a set of cards kept or filled out with the industrial skill information and there was also another set of cards kept on which were notations, which would indicate the man's feelings as far as the union was concerned.

Mr. KENNEDY. What kind of notations were on that card?

Mr. NAGLE. Primarily a numbered code.

Mr. KENNEDY. What kind of a number code?

Mr. NAGLE. It ran from 1 through 5 and 1 would be a man who was in favor of working without a union and 5 would be the opposite.

Mr. KENNEDY. Was it arranged in the company with Mr. Jackson that these interviews take place and that this information be obtained?

Mr. NAGLE. It was his suggestion that the interviews were made and it was his instructions that a second set of cards and the number system be used, his or Mr. Rhodes.

Mr. KENNEDY. Mr. Rhodes is an employee of his?

Mr. NAGLE. I understand he was.

Mr. KENNEDY. And he came out and conducted the interviews?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Those cards were turned over to you; were they?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Did anybody else in management know about the cards?

Mr. NAGLE. I assume that Mr. Oldenburg knew they existed.

Mr. KENNEDY. How do you assume that?

Mr. NAGLE. Because we used to discuss people in terms of numbers and discuss the cards themselves.

Mr. KENNEDY. Did you go over the cards with Mr. Oldenburg?

Mr. NAGLE. I can't remember specifically an instance, but I discussed what was on the cards with him.

Mr. KENNEDY. Did he know you were keeping the cards?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. You discussed the cards with him?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. And you discussed the fact that you kept these symbols of the people being for or against the union on the cards?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Was there also another system used regarding the employees to find out whether they were for it or against the company?

Mr. NAGLE. Well, again, it was a perfectly bona fide employee relations maneuver and it was a committee.

Mr. KENNEDY. What was it called?

Mr. NAGLE. Safety committee, and members rotated.

Mr. KENNEDY. Did Mr. Jackson explain to you what could be done as far as committees are concerned?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. What did he call the committees?

Mr. NAGLE. He called it a safety committee, a rotating safety committee. The idea is, when you get people together around the table and get them relaxed and don't put any bars on what they talk about, they will talk about anything. It uncovers a lot of personal feelings, and you can get a lot of information no matter what the original subject of the discussion was.

Mr. KENNEDY. Was there any connection between the cards that you kept and these rotating committees?

Mr. NAGLE. Only that from the cards we know a little bit more about the individual who attended the meetings.

Mr. KENNEDY. Would you have all the "5" people at one time or all of the "1" people at one time, or how did you arrange that?

Mr. NAGLE. They would be mixed.

Mr. KENNEDY. You would mix the people up 1's and 2's and 4's and 5's?

Mr. NAGLE. Yes, sir; that usually started the conversation that led to information.

Mr. KENNEDY. Now, did Mr. Jackson make any suggestion about forming a vote "no" committee?

Mr. NAGLE. Later on he did; yes, sir.

Mr. KENNEDY. When was this?

Mr. NAGLE. That was after it was learned that there would be a representation election and I imagine that was around February or March.

Mr. KENNEDY. Did the company turn down that suggestion?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. They decided not to do that?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Is that right?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Did Mr. Jackson also suggest that through the vote "no" committee that literature could be distributed?

Mr. NAGLE. He mentioned that as a possibility; yes, sir.

Mr. KENNEDY. But the company turned that down?

Mr. NAGLE. That is right.

Mr. KENNEDY. Now, during this period of time just prior to the election, was the company in favor of having a union or were they neutral or against the union?

Mr. NAGLE. From what the company published and from what I know of the way the company was operated, in other words what came to my attention, I would say that they would much prefer to operate without one.

Mr. KENNEDY. When had it switched over from the fact that they would replace the Dio local to the time when they were against having any union at all?

Mr. NAGLE. It was gradual, but it came about, as it became evident that it was a possibility. In other words, the company was without a union from the end of the strike, in the early fall until May when there was an election. It was during that period that it became evident that that was a possibility because it would be a vote on the ballot.

Mr. KENNEDY. Was Jackson against any union at all in there and did he make suggestions along that line?

Mr. NAGLE. He made suggestions as to courses of action which would result in a "neither" vote.

Mr. KENNEDY. A "neither" vote being neither the chemical workers nor 649.

Mr. NAGLE. That is right.

Mr. KENNEDY. The election was finally held and prior to the election did Mr. Mennen distribute a letter indicating that the company was against having either union or having any union in the company?

Mr. NAGLE. His name was on it and I don't think he participated so much in the actual writing of that letter. I did, and Mr. Lafferty did and Mr. Jackson did.

Mr. KENNEDY. And the letter was distributed, is that right?

Mr. NAGLE. It was handed out at the plant door.

Mr. KENNEDY. Now, after the election was held and all of the unions were defeated, what did you do with these cards that you were keeping on these people?

Mr. NAGLE. I turned them over, I believe, to Mr. Oldenburg.

Mr. KENNEDY. Mr. Oldenburg?

Mr. NAGLE. Yes, sir; I am not sure about that, sir. I was told that they were going to eventually end up with Lafferty and whether I gave them to Mr. Oldenburg or whether Mr. Lafferty himself or his assistant, I don't know, but it was one of that group.

Mr. KENNEDY. What was the feeling or what had you decided to do about those who led the fight for the chemical workers union? Was there any discussion about that?

Mr. NAGLE. There was a discussion about it but the sum total of the discussion was that there would be nothing done. There were no specific statements made on that particular subject right then; no, sir.

Mr. KENNEDY. Subsequently, was there any discussion about those who had been in favor of the chemical workers union?

Mr. NAGLE. Yes, sir; I was asked to keep a pretty close check on their activity.

Mr. KENNEDY. Did you keep a file on those people?

Mr. NAGLE. I did, sir; yes, sir.

Mr. KENNEDY. What kind of a file did you keep on them?

Mr. NAGLE. Daily records of any incidents that came to my attention, involving those people and also, standard files such as absenteeism and things of that nature.

Mr. KENNEDY. Who gave you the instructions to keep files on those people?

Mr. NAGLE. Mr. Oldenburg.

Mr. KENNEDY. And were they separate files from those kept on all of the other individuals?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Just on the individuals who had been in favor of the union?

Mr. NAGLE. Yes. Well, yes, sir.

Mr. KENNEDY. Did you make credit checks on some of these individuals?

Mr. NAGLE. Yes.

Mr. KENNEDY. Was that under instructions?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Did Mr. Jackson have any feeling about what should be done about these people who were in favor of the union?

Mr. NAGLE. Yes, sir, he indicated that if an opportunity presented itself to eliminate them from the plant, that that should be done, but he did not suggest that anything illegal or against the employer's rights be done.

Mr. KENNEDY. Did he say anything about getting rid of these people?

Mr. NAGLE. Yes, sir, he said that it would be much better if some way were found to eventually, over a period of time, get them out of there.

Mr. KENNEDY. Now, this Mr. Graham who had led the fight or passed this decertification certificate and who led the fight for the chemical workers union, was he dismissed from his job subsequently?

Mr. NAGLE. He was laid off, I believe.

Mr. KENNEDY. He was laid off?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Were there a number of other employees who had been active for the chemical workers union and were they laid off?

Mr. NAGLE. There were 1 or 2 and I think there were some people who left voluntarily after the election, too.

Mr. KENNEDY. Were you told that the company was interested in getting rid of these people?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. By whom?

Mr. NAGLE. By Mr. Oldenburg.

Mr. KENNEDY. What did he say to you?

Mr. NAGLE. Well, you mean in addition to keeping the records on them, you mean?

Mr. KENNEDY. Yes.

Mr. NAGLE. He told me that, as far as this one particular department, machine shop was concerned, there would be a layoff. The general feeling—and it was expressed and I can't remember the exact words—was that you could never really trust these people.

Mr. KENNEDY. You could never trust these people?

Mr. NAGLE. That is right; the ones who had been active.

Mr. KENNEDY. Well, when the department was cut down, did they express some satisfaction that you could then move against these people?

Mr. NAGLE. Yes, sir. They seemed to be quite happy that the opportunity had presented itself to legally eliminate them.

Mr. KENNEDY. So Graham was eliminated and a number of others?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Now, you left the plant in 1955?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. And that was by mutual consent?

Mr. NAGLE. Well, probably a little bit stronger than that on their part; yes, sir.

Mr. KENNEDY. They were anxious to get rid of you at that time in 1955, when you left?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. In fact, it would amount to the fact that you were fired?

Mr. NAGLE. Well, I resigned.

Mr. KENNEDY. But if you had not resigned, you would have been fired?

Mr. NAGLE. I can't say that.

Mr. KENNEDY. But it was indicated to you as such?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. And have you ever been arrested? Do you have any criminal record?

Mr. NAGLE. No, sir.

Mr. KENNEDY. That is all.

The CHAIRMAN. Any questions?

Senator McNAMARA. I would like to ask the witness a couple of questions.

In this card system that was established, classifying or setting up a code, Nos. 1 to 5, do you remember about how the breakdown went? Were there more in No. 1 than there were in No. 5 in the category?

Mr. NAGLE. No; I think originally there were an awful lot of people that were in the middle, and the ones who were actually able to be classified on one extreme or the other were pretty much even, I think, at first.

Senator McNAMARA. And they would largely fall into the No. 3 category, that were more or less in the middle.

Mr. NAGLE. Yes; but that was natural, because they did not get that much information out of the meetings themselves. In other words, a man would never know, a man who had never met these people before, and all he could tell was by the way he talked to him.

Senator McNAMARA. You are saying this code system was of little consequence?

Mr. NAGLE. At the beginning, it spotted the very obvious 1's and the very obvious 5's, but left a gray area in the middle.

Senator McNAMARA. How many were in the very obvious "1" and very obvious "5," to rephrase my question a little different way.

Mr. NAGLE. I would say about 20 percent either end.

Senator McNAMARA. Twenty percent either end?

Mr. NAGLE. Yes, sir.

Senator McNAMARA. And the total of how many employees approximately?

Mr. NAGLE. The bargaining unit, somewhere around 200.

Senator McNAMARA. Then there would be how many there?

Mr. NAGLE. There would be about 40 that you could classify.

Senator McNAMARA. Forty in No. 1?

Mr. NAGLE. That is right.

Senator McNAMARA. And 40 in No. 5?

Mr. NAGLE. Yes, sir.

Senator McNAMARA. That seems to be a substantial number, 80 out of 200.

Mr. NAGLE. This question has been discussed and had been argued among the employees for a good, long time, several years, and it was not a new question, the idea of whether or not they needed union representation.

Senator McNAMARA. Out of the 2 or 3 or 4 classifications that remain, would they be about equally distributed, 40 in each one?

Mr. NAGLE. I think so, sir, but that was not a true reflection of what those people actually thought and it was just the interviewer's inability to get any further with them.

Senator McNAMARA. I am talking about the significance of the numbers, 1 to 5.

Mr. NAGLE. That is right.

Senator McNAMARA. You set it up as a thing apart from ability.

Mr. NAGLE. You could term them "on the fence."

Senator McNAMARA. You had 2 sets of cards?

Mr. NAGLE. Yes, sir.

Senator McNAMARA. I want to refer to the 1 set; in your remarks you were referring to another set and you said there were 2 sets of cards, 1 on ability and 1 on loyalty to the company or disloyalty to the company.

Mr. NAGLE. That is right and maybe I misunderstood you.

Senator McNAMARA. Let us talk about the ones that were numbered from 1 to 5 indicating their loyalty. I suppose, is the way you would call it.

Mr. NAGLE. No; it was indicating their feelings as to whether they wanted to work—whether they trusted or felt they could work with the company without union representation and I would say probably about 20 percent actually expressed themselves strongly and were put in 1 classification and about 20 percent also in No. 5 classification.

Senator McNAMARA. And about 20 percent in 2, 3, and 4, also, roughly, as you would call it?

Mr. NAGLE. About 40 percent; yes, sir.

Senator McNAMARA. Now we are changing the 1 and 5 in this statement.

Mr. NAGLE. No, sir; I said 20 percent in the 1 classification and 20 percent in the 5 classifications.

Senator McNAMARA. That would be 20 percent in each 1 of the 5 classifications, then, would it not?

Mr. NAGLE. Excuse me, but I don't know whether the middle three were divided that evenly.

Senator McNAMARA. We are not arguing then. It is about 20 percent in each one?

Mr. NAGLE. That is right. I just wanted to be sure I was telling you exactly what you were asking.

Senator McNAMARA. Twenty percent would fall into each of the five categories?

Mr. NAGLE. We can say that, yes.

Senator McNAMARA. They would average No. 3 in the code.

Mr. NAGLE. Yes, sir.

Senator McNAMARA. Actually, you indicate that three of them were discharged in this No. 5 category.

Mr. NAGLE. No, they were laid off, sir.

Senator McNAMARA. Laid off?

Mr. NAGLE. Yes, sir.

Senator McNAMARA. Removed from the payroll one way or another, or cut down. When you cut down in the work force, these were the first laid off?

Mr. NAGLE. No, we laid off in the machine shop and the seniority applied only to the machine shop.

Senator McNAMARA. Then Mr. Graham, he was one of those in category No. 5?

Mr. NAGLE. Yes, sir.

Senator McNAMARA. And he was one of the first laid off when you cut down the force?

Mr. NAGLE. No, he was laid off in the machine shop according to seniority within the department itself.

Senator McNAMARA. I understood as you answered the questions of counsel, that he was laid off and he was one that was on the list to be gotten rid of.

Mr. NAGLE. That part is true, but he was also laid off strictly within the regulations of the plant and the way it operated.

Senator McNAMARA. Does this imply that you had to lay others off to get to him?

Mr. NAGLE. I couldn't say that because the actual reason for the layoff was the lack of need, at that particular time, with that many people in the machine shop.

Senator McNAMARA. Did the layoff not stop when you reached him?

Mr. NAGLE. I don't think so, and I think it involved four people and I don't think he was fourth on the list.

Senator McNAMARA. Was there some downgrading as far as jobs were concerned, as well as the severances in the case of Graham, with the people who were put on less desirable work?

Mr. NAGLE. No, sir.

Senator McNAMARA. When you were told to get rid of them or it was suggested that you get rid of them as you stated it, how were you in a position as personnel man to get rid of them?

Ordinarily the foreman would have to do that.

Mr. NAGLE. I was not, except that there are certain rules and regulations in a plant, the infraction of which are grounds for discharge. All my job would be was to collect information which would be a basis for discharge.

Senator McNAMARA. Then, when you intimated at least, that you were told to get rid of them, then you had to pass that information on to the foreman, to get rid of them; is that the way it happened?

Mr. NAGLE. No; I was not told to get rid of them. I was told that they wanted to get rid of them and my part in it would be to collect the information and I passed none of that on to the foreman.

Senator McNAMARA. What did you do with the information that you collected?

Mr. NAGLE. I kept it in the file and I made it available to any of the men who wanted to see it or who were directing me to do it.

Senator McNAMARA. Including the foreman?

Mr. NAGLE. No; the foreman was not involved.

Senator McNAMARA. Then I can't get how you used these cards that had the code numbers 1 to 5. You just collected the data, put it in the file, and it wasn't available to the foremen who could get rid of them?

Mr. NAGLE. The information collected on the cards was prior to the election, and was used merely at the moment that the information was collected, to try and ascertain the feelings of the people in the plant. In other words, should there have been an election the very next day, how would they have voted. It had nothing to do with any kind of a case that might be built up against various individuals at a later date.

Senator McNAMARA. Even in the case of Mr. Graham?

Mr. NAGLE. No, sir; because none of the things that he ever said in there would ever be any basis for discharge. There is a time difference in there, sir, of about 6 or 7 months.

Senator McNAMARA. And the cards continued to be used after the election?

Mr. NAGLE. By that time it was pretty obvious who the few individuals that had been active were, and the cards were not used after that.

Senator McNAMARA. They were not used?

Mr. NAGLE. No.

Senator McNAMARA. When you left the company, did you have these cards in your possession?

Mr. NAGLE. No, sir.

Senator McNAMARA. What was the implication in your leaving the company? You indicated that—Well, you didn't get fired and you resigned, but you would have gotten fired. Why were they trying to get rid of you?

Because of your connection with these incidents, or something else?

Mr. NAGLE. No, sir; I can't say that. I just wasn't performing the job the way Mr. Mennen wanted me to.

Senator McNAMARA. That is all, Mr. Chairman.

The CHAIRMAN. Are there any other questions?

Is there anything further?

Mr. KENNEDY. Mr. Chairman.

The CHAIRMAN. May I ask one question?

You had around 200 employees; is that correct?

Mr. NAGLE. In the bargaining unit; yes, sir.

The CHAIRMAN. In the bargaining unit. How many of those did you have cards on?

Mr. NAGLE. I believe we had cards on everybody in the bargaining unit.

The CHAIRMAN. You finally had cards on everyone?

Mr. NAGLE. Yes. You would normally cause the cross index of industrial skills was meant to include the whole bargaining unit.

The CHAIRMAN. I am talking about these cards where you evaluated their attitude toward the union and toward the company.

Mr. NAGLE. They also included all of the bargaining unit.

The CHAIRMAN. You finally had cards on all of them, all the employees?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. Mr. Chairman, I might say we interviewed Mr. Nagle, our investigator interviewed him, around August 20, 1957, which was well before we started these hearings. At that time, I believe on August 23, Mr. Nagle furnished an affidavit. He had at that time furnished the same information that he has furnished here before the committee. He knew all the details regarding this operation, which we have seen and developed as a pattern in many other areas in the country. I just thought I would point that out regarding Mr. Nagle's testimony.

The CHAIRMAN. In other words, you gave to the investigating staff the same information when they first interviewed you some 2 or 3 months ago?

Mr. NAGLE. Yes, sir; I did.

The CHAIRMAN. And you supplied it in affidavit form?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. He was subpoenaed to appear before this committee. I might say originally he had been reluctant to talk to us, and then he agreed to talk to us at a later time.

The CHAIRMAN. Is there anything further?

If not, thank you very much.

Call your next witness.

Mr. KENNEDY. Mr. Graham.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GRAHAM. I do, sir.

TESTIMONY OF JAMES GRAHAM

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. GRAHAM. My name is James Graham. I reside at 59 Conrad Place, in Dover, N. J., and I am employed as a maintenance machinist.

The CHAIRMAN. By whom?

Mr. GRAHAM. Rowe Manufacturing, in Whippany, N. J.

The CHAIRMAN. You waive counsel, do you?

Mr. GRAHAM. Yes, sir.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. You were with the Mennen Co. for a period of time?

Mr. GRAHAM. Yes, sir; I was.

Mr. KENNEDY. What period?

Mr. GRAHAM. Around, I believe, the 15th of April in 1952, until October 21 or 22, 1954.

Mr. KENNEDY. And you have been a machinist for how long, approximately?

Mr. GRAHAM. Well, since I was about 19 years old, sir.

Mr. KENNEDY. That doesn't answer the question. About 10 years?

Mr. GRAHAM. I wish it were.

Mr. KENNEDY. Well, for a number of years?

Mr. GRAHAM. We will say roughly 20 years, sir.

Mr. KENNEDY. And you were performing as a machinist at the Mennen Co.?

Mr. GRAHAM. Yes, sir; I was.

Mr. KENNEDY. While you were there, were you a member of any local union?

Mr. GRAHAM. Yes. I was handed a card to join local 102, which later became local 649. We were told that we had to join within a period of time.

Mr. KENNEDY. Who told you that?

Mr. GRAHAM. A man, John Wershing, who was personnel man, who hired me.

Mr. KENNEDY. Do you mean of the company?

Mr. GRAHAM. Yes, sir. He was personnel man at the time.

Mr. KENNEDY. You were told at that time that you had to become a member of local 102?

Mr. GRAHAM. That is right.

Mr. KENNEDY. And you became a member, did you?

Mr. GRAHAM. Yes, sir; I did.

Mr. KENNEDY. How did you get along in that union?

Mr. GRAHAM. Well, the first meeting that I went to, I was impressed by the men who headed this union, one by the name of George Baker, and the other by the name of Joe Curcio, who called no meeting to order but stood up in front of a room in the Essex House in Newark, N. J., and in a very rough tone of voice told us that they were the leaders of the group, and if anybody had anything to say they would like to hear it.

I wanted to know how these people were brought about in to power, who had elected them, and so forth, and what happened to my dues money which I paid in this organization.

Mr. Baker told me that it was none of my business, just to pay my dues and shut my mouth, and just mind my own business that that was the only thing I could do to get along in this outfit.

When I went back to work the next day I spoke to several of the fellows that worked near me that didn't make kosher the way they ran things. A fellow by the name of Otis Ives spoke up and he said "Well, at 1250 Broad Street there is an American Federation of Labor office."

He thought it best that we go down and contact them and see if that was the procedure, the way they run their meetings. So we went down to Broad Street. Myself, Otis, a fellow by the name of Chuck Knight, and Frank Hauck, I believe. We inquired of a Mr. Vincent Busby, who was then eastern vice president of the United Chemical Workers, AFL. When we told him how our union was operated, he said no, that wasn't in line with the way a union should be operated, and if we wanted to, the only way we could bring about an election would be to have people sign cards. By that, they would turn it in to the National Labor Relations Board and get us an election.

The CHAIRMAN. Was that to sign cards for another union?

Mr. GRAHAM. Pledge cards for the United Chemical Workers Union, that is right.

The CHAIRMAN. All right.

Mr. GRAHAM. So we took the cards and we went amongst the employees and had them sign them. I was reprimanded once for doing this. We were told that if we did it on our own time, nobody could do anything about it, that that was our own business. But I had taken the liberty, as well as others, to do it on company time. We did it because we felt the people needed a change in their union.

We had cards signed I don't know on how many occasions. I know it was possibly 3, 4, or 5. Then in the meantime we had been transferred to the Morristown plant, which was partially finished. At the Morristown plant, we were doing a lot of rearranging of the lines and whatnot. We still continued our passing of cards and having them signed, and turned them over to Mr. Busby.

(At this point Senator Goldwater left the hearing room.)

The CHAIRMAN. Who was Mr. Busby?

Mr. GRAHAM. Mr. Busby was eastern representative or vice president of the United Chemical Workers.

Mr. KENNEDY. Did you have a conversation or were you approached by anybody in the company about contacting an attorney?

Mr. GRAHAM. Yes, I was.

Mr. KENNEDY. Would you tell us what happened?

Mr. GRAHAM. It was a known fact that I was interested in the chemical workers. Not for myself, but to get a better union in, where we could elect our own president and so forth.

Mr. Nagle called me into the office one day and he said that he would give a note to take to a lawyer in Morris Plains. I took this note to this lawyer, John Wyckoff, in Morris Plains, and he in turn told me that we would have a petition signed and we would bring about an election.

We had a trial in Morristown, both the 649 and Mr. Wyckoff, myself and several others. After that came about an election.

Mr. KENNEDY. Did he discuss with you or did you discuss with him at that time about his being paid?

Mr. GRAHAM. No, because Nagle told me not to worry about it being paid, I wouldn't have to pay it. I couldn't pay it on the salary I made.

Mr. KENNEDY. So you don't know what happened as far as his being paid?

Mr. GRAHAM. I never saw any check passed. I do not know how Mr. Wyckoff was paid. However, it was not by me.

Mr. KENNEDY. Had you thought, during this period of time when you were working against the UAW, that the company would allow another union to come in, namely, the Chemical Workers Union?

Mr. GRAHAM. Yes, I was, because at a hearing held in Newark, N. J., Mr. Oldenburg himself explained the situation of the plant, its layout, and he himself admitted the work done at the Morristown plant was definitely of a chemical worker nature. I think the court records will reveal that.

Mr. KENNEDY. Toward the end, just prior to the election, did you find that the company was against the Chemical Workers Union as well as the UAW?

Mr. GRAHAM. Not until George Mennen handed the letter out which he himself had signed, and said that no one could force us to vote for anybody, and that it was his opinion that he would give us as much without a union as we had with one.

That was my first knowledge that he definitely was against any union.

Mr. KENNEDY. And that the Mennen Co. believed that you should vote neither?

Mr. GRAHAM. That is correct.

Mr. KENNEDY. That would mean against your union as well as any other union?

Mr. GRAHAM. That is correct.

Mr. KENNEDY. That was the first time that you learned that the company was against your union?

Mr. GRAHAM. Yes, sir.

Mr. KENNEDY. Were you surprised?

Mr. GRAHAM. Yes, I was.

The CHAIRMAN. Let the witness examine this temporarily and see if he recognizes this, exhibit No. 40, as being the letter to which he refers.

(Document handed to the witness.)

Mr. GRAHAM. Yes, it is.

The CHAIRMAN. Thank you.

Mr. KENNEDY. That was the first time you knew that the company was against the union?

Mr. GRAHAM. Yes, sir.

Mr. KENNEDY. You were released from your job some time after the election?

Mr. GRAHAM. Yes, sir; I was.

Mr. KENNEDY. When was that, approximately?

Mr. GRAHAM. The latter part of October, the 21st or 24th of the month.

Mr. KENNEDY. Of 1954?

Mr. GRAHAM. 1954.

Mr. KENNEDY. Could you tell the committee what the circumstances were under which you were released?

Mr. GRAHAM. Well, I was told because there was a lack of work. But at the time there was lack of work just previously to that, I had been told by Mr. Joseph Mezzo, who was my immediate boss, that we were going to make quite a considerable number of parts for the equipment rather than go out and buy them, and also the fact that we were then building a huge steel rack, in which we were supposed to handle the gas, which is used in the manufacture of foam shave.

We were building that, and it wasn't that we were short of work. I was welding right on the floor when I was told to report to Mr. Joseph Mezzo. At that time, another boss, Burris Turcek, had been talking to Otis Ives, and Frank Hauck, and they had been let go.

Mr. KENNEDY. Who were they?

Mr. GRAHAM. Frank Hauck and Otis Ives were two of the other boys that helped me with securing signatures on these chemical workers cards.

Mr. KENNEDY. And they were let go at the same time?

Mr. GRAHAM. They were notified the very same day.

Mr. KENNEDY. And you all were released, the three of you?

Mr. GRAHAM. We were given 2 weeks time that we were going to be let go. As I say, my time terminated on or around the 21st of October.

Mr. KENNEDY. Were the three of you the ones who were chiefly responsible for the drive for the chemical workers?

Mr. GRAHAM. Yes, sir.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. I would like to ask the witness a question or so.

Have you worked as a machinist most of the 20 years that you make reference to?

Mr. GRAHAM. Yes, sir.

I was employed 16 years of it at the Picatinny Arsenal.

Senator McNAMARA. Were you ever a member of the machinist union?

Mr. GRAHAM. No, sir. The Government didn't recognize any union.

Senator McNAMARA. When you were released by the company, did you take the matter up with the proper authorities as an unfair labor practice?

Mr. GRAHAM. No, sir.

Senator McNAMARA. You now think it was?

Mr. GRAHAM. Yes, I do, but I was also given the impression that I would be better off if I would go out and get a job and just let it go at that.

Mr. Nagle, the last time I spoke to him, told me it would be wise to get a job, which I already had, and it was very much to his surprise that I had already been hired by the Rowe Manufacturing. As a matter of fact, the day that I went in the office to talk it over with him, that I was actually going that day, the personnel manager of Rowe Manufacturing called on the telephone for a reference, and he had no choice but to give it right in front of me. It was a very good reference. I will say that.

Senator McNAMARA. In effect, they assisted you in getting your new job. Would you have otherwise proceeded with an unfair labor charge?

Mr. GRAHAM. They did not assist me in getting a job.

Senator McNAMARA. They gave you a good recommendation?

Mr. GRAHAM. I think my recommendations were high enough on my own and the type of work that they needed, because Rowe Manufacturing at the time was in dire need of a man who understood punch presses and heavy equipment. Because of past experience I was given that job.

Senator McNAMARA. What was your reference to the telephone call? Maybe I misunderstood you.

Mr. GRAHAM. Well, I say, while I was in Mr. Nagle's office, talking with him, a fellow by the name of Ernie Austin called from Rowe. Naturally, a company wants to know a little bit of the person's past employment. Mr. Nagle sat there, and I sat across the table from him, and he explained that I was considered one of the better machinists in that shop, but because of the shortage of work, he claimed, I was being let go.

Senator McNAMARA. You had no reason to doubt it at that time, or did you?

Mr. GRAHAM. Well, sir, if you have ever had anything to do in unions, you know very well that once your union was defeated, the company you are working for wouldn't keep you around. You would be a thorn in their side.

Senator McNAMARA. Let's assume that I have had something to do with unions and answer the question on that basis.

Mr. GRAHAM. Yes, I really believe it was. After all, they weren't going to keep me there to run around passing out some more cards to give them a hard time in another year, which I surely would have done.

Senator McNAMARA. Have you done it in your new shop?

Mr. GRAHAM. No, sir.

Senator McNAMARA. Why?

Mr. GRAHAM. I don't want nothing to do with unions, period. I will pay my dues and shut up.

Senator McNAMARA. You will pay your dues and shut up?

Mr. GRAHAM. That is right.

Senator McNAMARA. In other words, treat it just like an employment agency?

Mr. GRAHAM. Yes, sir.

Senator McNAMARA. You think that is the right way to operate?

Mr. GRAHAM. In my particular instance, after the deal that I was led to fight Johny Dioguardi and his gang of thugs alone; yes, sir; I do.

Senator McNAMARA. Don't you think that if you and everybody else pay your dues and pay no more attention to the union, that it wouldn't be long before the Johnny Dios will have charge of all unions, if you don't try to keep a democratic organization?

Mr. GRAHAM. I do, sir, very much so. But I feel as though I was made the goat of once, and I don't care to be again.

Senator McNAMARA. Well, I hope you change your attitude. I think that the salvation of not only the unions but democracy generally depends upon us taking an interest in these organizations that we pay money into, particularly unions. I hope you get over this bad outlook you have at this time.

Mr. GRAHAM. Well, I don't know whether you have ever been in the position that I was in, but right on Broad Street in Newark, N. J., I was told by Joe Curcio to go on home and mind my own business, when we were going to attend a meeting. He said "Son, you are cutting me out of bread and butter and you could get hurt, you know."

Again, Mr. Dio—the man who is now prosecutor in Morris County was going to have the hoodlums have a meeting in the Legion Hall in Morristown, N. J., and again I had quite a time and got kicked around a little bit, not bodily but trying to get the American Legion to block Johnny Dioguardi from coming there. Mr. Frank Sherbo had to call himself and call it off. After I am through with it, I want to settle down to normal living and no more activities like that.

Senator McNAMARA. I agree with you it is easier to go bowling, play cards, stop in with the boys and have a drink and that sort of thing, but it is still important that organized labor, the men who pay the dues, do a little policing as to what happens to the money.

I still express the hope that you do get over it and go back because I think we have to have people in to police the unions as well as pay money.

Mr. GRAHAM. It is very good, sir, but when you are trying to raise a child you have to think of his welfare, too.

Senator McNAMARA. I think if you are going to consider the child, you are more apt to do what I am saying, than if you do not have a child. You want to leave it a better world for him if for no other reason.

Mr. GRAHAM. I agree 100 percent, providing you are dealing with gentlemen.

Senator McNAMARA. Today, let us hope you are.

This George Baker thing, where he got up in the Essex Hotel and said, "This is what is going on here; does anybody have any complaints?" You raised some questions?

Mr. GRAHAM. Yes, sir.

Senator McNAMARA. Was this done openly at a group meeting?

Mr. GRAHAM. Yes, it was, right in the hall.

Senator McNAMARA. This conversation that you reported was you talking to him from the floor of this group meeting at the Essex House?

Mr. GRAHAM. Yes, sir, that is right. I was not the only one. There were women that got up and asked questions. He, in his very sulky way, would refer to them to shut up and don't give him any noise and what not. Nobody ever got any satisfaction from him.

Senator McNAMARA. Thank you.

The CHAIRMAN. You regard them as just gangsters in charge of the union, did you not?

Mr. GRAHAM. Yes, sir, I did.

The CHAIRMAN. I think your appraisal of them was quite accurate.

Mr. KENNEDY. That is all.

The CHAIRMAN. Thank you very much.

Mr. KENNEDY. I want to ask Mr. Nagle one question, if he will return.

The CHAIRMAN. Come back, Mr. Nagle.

TESTIMONY OF DAVID NAGLE—Resumed

Mr. KENNEDY. Mr. Nagle, I wanted to ask you whether Mr. Shefferman ever came to the plant while you were there.

Mr. NAGLE. There was one visit by a man whom I was introduced to as Shelton Shefferman or Sheldon.

Mr. KENNEDY. Shelton Shefferman?

Mr. NAGLE. He was fairly young, a big fellow.

Mr. KENNEDY. Did he come by the plant?

Mr. NAGLE. He came into my office at the plant.

Mr. KENNEDY. Who brought him in there?

Mr. NAGLE. I believe it was Mr. Jackson.

Mr. KENNEDY. You were here this morning, were you not?

Mr. NAGLE. Yes, sir.

Mr. KENNEDY. And the testimony that you have given is in direct contradiction to the testimony given by Mr. Mennen and Mr. Oldenburg, and, to some extent, Mr. Jackson.

You are aware of that, are you not?

Mr. NAGLE. I gave the answers to the question you asked me. I gave you the honest answers the best I know.

Mr. KENNEDY. Thank you very much.

Mr. Rhodes?

(Present at this point were Senators McClellan and McNamara.)

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth so help you God?

Mr. RHODES. I do.

TESTIMONY OF WILLIAM E. RHODES

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. RHODES. William E. Rhodes, 56 West 65th Street, New York City. I am now a graduate student at New York University.

The CHAIRMAN. You are now a student?

Mr. RHODES. Yes; I am taking my masters of law at New York University.

The CHAIRMAN. Thank you.

Go ahead.

Mr. KENNEDY. Mr. Rhodes—

The CHAIRMAN. Do you waive counsel?

Mr. RHODES. I waive counsel.

Mr. KENNEDY. You worked for Labor Relations Associates at one time?

Mr. RHODES. I did, sir.

Mr. KENNEDY. You were working for them in 1953?

Mr. RHODES. I was.

Mr. KENNEDY. You were working specifically for Mr. Louis Jackson?

Mr. RHODES. That is right.

Mr. KENNEDY. And you did some work out at the Mennen Co.; did you?

Mr. RHODES. I did.

Mr. KENNEDY. Did you take some surveys out at the Mennen Co.?

Mr. RHODES. I did.

Mr. KENNEDY. The results of some of those surveys, as far as some of the sentiments of the employees for or against the company—were those sentiments placed on 3 by 5 cards?

Mr. RHODES. Sentiments? When I talked to the employee I made a statement on the card.

Mr. KENNEDY. On what?

Mr. RHODES. Of the sentiments of the employees.

Mr. KENNEDY. Regarding being for or against the company?

Mr. RHODES. Not as such. My impression of the employee was whether or not—the attitude of the employee was placed on the card.

Mr. KENNEDY. How would you place that on the card?

Mr. RHODES. By a designation.

Mr. KENNEDY. What kind of designation?

Mr. RHODES. A plus, if the employee seemed to be satisfied with the present workings of management and supervision of the company; a minus if there was a negative attitude. That is, he did not think

supervision was good and he thought plant conditions were bad or could be improved.

It was an attitude survey.

Mr. KENNEDY. Whom did you turn those cards over to?

Mr. RHODES. To the best of my recollection, Mr. Kennedy, I handed those cards over to Mr. Nagle.

Mr. KENNEDY. To Mr. Nagle?

Mr. RHODES. That is correct.

Mr. KENNEDY. Who gave you the instructions to go out and make that survey?

Mr. RHODES. I worked under the direct supervision of Mr. Jackson.

Mr. KENNEDY. Now, have you in any of the surveys that you have taken or kept, used numbered symbols rather than plus or minus?

Mr. RHODES. Not to my recollection. I used mainly plus or minus. If I used a numerical system, I don't recall it, at that time.

Mr. KENNEDY. Is it possible that you would have used a numerical system?

Mr. RHODES. I would say "No"; it is not possible. I think basically, I used plus and minus systems.

Mr. KENNEDY. Did you ever use a numerical system anywhere?

Mr. RHODES. Not to my recollection.

Mr. KENNEDY. You think it is possible?

Mr. RHODES. It could have been possible, but I do not recall it at this time.

Mr. KENNEDY. Were the plus and minus system and the numerical system, systems that you were told that you could use?

Mr. RHODES. When you say "told that we could use," it was not a question of being told we could use them. It was a method of instruction that I knew or had been told. It was a method of instruction that I had learned through my work.

Mr. KENNEDY. From whom had you learned that?

Mr. RHODES. Through my work with the Labor Relations.

Mr. KENNEDY. Who instructed you on using the plus or minus system?

Mr. RHODES. I don't recollect. I think when I first went with the organization in Chicago, when I first went to work with Labor Relations, I think at that time I learned the plus and minus system.

Mr. KENNEDY. Who taught you, and I want to find out who taught you the system.

Mr. RHODES. I don't remember.

Mr. KENNEDY. You don't remember who it was?

Mr. RHODES. I don't remember the name of the individual.

Mr. KENNEDY. Somebody out in Chicago?

Mr. RHODES. Yes, sir.

Mr. KENNEDY. At that time did they also state to you, or was it also explained to you that you could use the numerical system?

Mr. RHODES. No.

Mr. KENNEDY. It was not?

Mr. RHODES. No.

Mr. KENNEDY. Was there ever any discussion about the numerical system?

Mr. RHODES. Not that I recollect.

Mr. KENNEDY. Some of the employees of Labor Relations Associates have used the numerical system as well as the plus and minus system.

Mr. RHODES. They may have, and I have no knowledge of that.

Mr. KENNEDY. But you do not remember ever using it yourself?

Mr. RHODES. That is correct, sir.

Mr. KENNEDY. But you did file these cards or did use these cards or have these cards in which you reflected the position of the employee toward the company, is that right?

Mr. RHODES. I didn't understand you.

Mr. KENNEDY. You did make up these cards which were to reflect the employees' attitudes toward the company; is that right?

Mr. RHODES. The employee's attitude, that is correct.

Mr. KENNEDY. Were you also present when these so-called rotating committees were set up?

Mr. RHODES. I wasn't—Are you speaking of what situation now, Mr. Kennedy?

Mr. KENNEDY. 1953.

Mr. RHODES. You are referring to the Mennen situation?

Mr. KENNEDY. Yes.

Mr. RHODES. I knew of the committees being set up. As to being present at the exact time, I don't recollect.

Mr. KENNEDY. Did you work on those at all?

Mr. RHODES. Yes, sir; I did.

Mr. KENNEDY. Were they also to determine the attitude of the employee toward the company?

Mr. RHODES. They certainly were not.

Mr. KENNEDY. They did not have anything to do with that?

Mr. RHODES. They certainly did not.

Mr. KENNEDY. Were they to find out whether there were any complaints of the employees toward the company?

Mr. RHODES. That is correct.

Mr. KENNEDY. Well then, they would also reflect how the employee felt about the company, whether he had complaints or not.

Mr. RHODES. Well now, the committee was set up primarily—

Mr. KENNEDY. Go ahead.

Mr. RHODES. The committees were set up primarily to find out from the employee if there was something on his mind and it was an outlet for the employee. And your other question, that is double, I don't think that was the primary one. It was not to find out—What was your other question, now?

Mr. KENNEDY. I asked you, to find out how he felt about the company.

Mr. RHODES. That is it, how he felt about the company, that is my answer.

Mr. KENNEDY. That is the reason it was set up?

Mr. RHODES. Yes.

Mr. KENNEDY. Now, did you discuss these 3 by 5 cards with Mr. Nagle and who else did you discuss them with?

Mr. RHODES. That is the only person I recollect discussing them with.

Mr. KENNEDY. Did you discuss them with Oldenburg?

Mr. RHODES. No; I don't believe I did.

Mr. KENNEDY. Do you know if you did not?

Mr. RHODES. The only way I would discuss anything with Mr. Oldenburg would be from these cards we compiled, why the employee was unhappy, why the plant was in the bad situation, and what was wrong with the plant, and from these cards, I would compile maybe mental notes, or physical notes and as such, talk that over with Mr. Oldenburg.

Mr. KENNEDY. Well then, he was aware you were keeping these files on these employees?

Mr. RHODES. I do not know.

Mr. KENNEDY. You do not know?

Mr. RHODES. No.

Mr. KENNEDY. You did not have the cards when you were talking with him?

Mr. RHODES. That is right. As I said previously in my statement, I took the information from those cards, why the employees were unhappy and compiled it either mentally or actual written notes, and I talked that over with Mr. Oldenburg.

Mr. KENNEDY. The only one that you know definitely that was aware that you were keeping these cards was Mr. Nagle?

Mr. RHODES. That is correct.

Mr. KENNEDY. But the cards were kept on these employees?

Mr. RHODES. That is correct.

Mr. KENNEDY. Thank you.

Senator McNAMARA. I have a couple of questions, Mr. Chairman. Whom do you work for now?

Mr. RHODES. Sir, I am going to school now, full time, and I get out in January.

Senator McNAMARA. When you left Mr. Jackson's association he was still with the Labor Relations Associates?

Mr. RHODES. That is correct, Senator.

Senator McNAMARA. You have not been with the new company at all?

Mr. RHODES. When I left in December, no; I have not been with them.

Senator McNAMARA. Reference has been made here to two sets of cards, and did you hear that reference?

Mr. RHODES. Yes, sir; I did.

Senator McNAMARA. Did you set up both sets of cards?

Mr. RHODES. I have no recollection of the second set that they are speaking of.

Senator McNAMARA. The second set is the one that had the numbers indicating—

Mr. RHODES. Nos. 1 through 5, I believe the testimony was.

Senator McNAMARA. You knew nothing of those cards?

Mr. RHODES. No.

Senator McNAMARA. You turned over only one set of cards to the personnel manager?

Mr. RHODES. That is right.

Senator McNAMARA. As far as you know the second set was developed after that?

Mr. RHODES. I have no knowledge about those cards.

Senator McNAMARA. You do not know anything about those at all?

Mr. RHODES. No, sir.

Senator McNAMARA. That is all, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Mr. Mennen, will you come back to the stand, please?

**TESTIMONY OF GEORGE MENNEN, ACCOMPANIED BY HIS COUNSEL,
JAMES L. R. LAFFERTY—Resumed**

The CHAIRMAN. When we excused you from the witness stand this morning, the Chair made a statement that he had some further questions to ask you. Primarily I had in mind to pursue the matter further to determine how this second election came about and to find out about that. I think that has been pretty well developed since, and I do not need to ask or interrogate you about that. But this morning, in your prepared statement, you said something about a bribe being offered, or a suggestion made that if you would pay some money to someone everything could be settled peacefully. I do not believe you were interrogated about that this morning. Will you relate that again? At what stage or what time was it when this incident took place?

Mr. MENNEN. This was during the organization strike, sir, in 1951, when our business was completely shut down. We were being organized by local 102 of the UAW-AFL and at that time, very honestly, we were babes in the woods. We had been in business for about 80 years, or at that time over 70 years, and we had never had a union and we did not know about the fine dealings in this.

The CHAIRMAN. I was trying to make the record clear as to who you were having the conference with. As I recall, you said you went over to a hotel or coffeeshop.

Mr. MENNEN. We went over to the union headquarters in New York, which at that time were down—

The CHAIRMAN. What union headquarters?

Mr. MENNEN. UAW-AFL, 102. They were down around 35th or 36th Street, somewhere in midtown New York, sir. We went in there and we were told to wait and then Mr. Zackman came out with another fellow or two and said, "Come on out; we will have a cup of coffee."

The CHAIRMAN. Who was Mr. Zackman?

Mr. MENNEN. Mr. Zackman, as we knew it, was the then president of that union.

The CHAIRMAN. Then president of that union.

Mr. MENNEN. That is correct, sir.

The CHAIRMAN. Do you remember the others who went with you?

Mr. MENNEN. I don't, sir.

The CHAIRMAN. Who was with you and who accompanied you?

Mr. MENNEN. Mr. Oldenburg.

The CHAIRMAN. And you went to a coffeeshop in the hotel close by.

Mr. MENNEN. Yes, sir.

The CHAIRMAN. Who made the offer or made the suggestion that for \$15,000 they thought it could be settled?

Mr. MENNEN. Sir, that was 8 or 9 years ago, and I really couldn't say. In the first place, as I mentioned in my statement, it was sort of a thinly veiled offer. As I remember it in my mind, I think it was Zackman, but I couldn't be sure, sir, but it was one of that group.

The CHAIRMAN. You do not know the names of the others?

Mr. MENNEN. I don't, sir.

The CHAIRMAN. So Mr. Zackman or someone at least, in that group made the suggestion?

Mr. MENNEN. That is true, sir.

The CHAIRMAN. I believe you said while you regarded it as an attempt to bribe you, or get a payoff—that is what you meant?

Mr. MENNEN. I distinguish it as just plain extortion.

The CHAIRMAN. We will call it that and I think that is it. You regarded it as an attempt to extort money out of you to get a strike settled.

Mr. MENNEN. I surely did, sir.

The CHAIRMAN. But you said it was so veiled that you could not make a positive statement and, therefore, you did not take action about it.

Mr. MENNEN. That is correct.

The CHAIRMAN. I just wanted to get the record clear on it.

Is there anything further?

Now, you have heard some testimony here that is a bit contradictory, I think, to what you testified to earlier.

Mr. MENNEN. It would certainly seem so.

The CHAIRMAN. As a matter of courtesy and fairness to you, do you wish to make any comment before you leave the stand?

Mr. MENNEN. Yes, I think that we should.

TESTIMONY OF HENRY OLDENBURG, ACCOMPANIED BY COUNSEL, JAMES L. R. LAFFERTY—Resumed

Senator McNAMARA. While the record is being looked up, I would like to ask Mr. Oldenburg, if that is the correct name; does he know the names of the other two people that accompanied Mr. Zackman at this Kaffee-klatsch?

Mr. OLDENBURG. I do not remember. I never met them again.

Senator McNAMARA. Did you also get the impression that there was a veiled suggestion that if \$15,000 were paid—you got the same impression?

Mr. OLDENBURG. I got the same impression.

TESTIMONY OF GEORGE MENNEN, ACCOMPANIED BY HIS COUNSEL, JAMES L. R. LAFFERTY—Resumed

Mr. MENNEN. There is one thing I would like to point out as we go through our notes, and that is the fact that Mr. Graham was never replaced. As we mentioned earlier in the testimony, this whole affair happened shortly after our move to Morristown, N. J., and Mr. Graham testified that he was a machinist. I am sure that you can appreciate that in order to move the complex equipment we have, we had to double the size and scope of our shop.

When all of the installation work was completed, and the plant was running smoothly and properly, we did give these fellows notice, and we were forced to make the layoffs.

Generally, we hope that something like that would come from attrition, but in this case it did not and we were forced to make the layoffs.

The CHAIRMAN. You said you never did replace Mr. Graham? Did you replace either of the other three discharged?

Mr. MENNEN. No, sir; there are still only four machinists in the shop. The only addition which has been made to the shop at all since Mr. Graham left us was the addition of a trainee and in line with our principles of promotion from within.

The CHAIRMAN. Were you acquainted with Mr. Graham's activities with respect to the United Chemical Workers Union?

Mr. MENNEN. Oh, yes, sir.

The CHAIRMAN. You were well acquainted with that?

Mr. MENNEN. Yes, sir.

The CHAIRMAN. You were also acquainted with his efforts in connection with the decertification movement with respect to 102 or 649?

Mr. MENNEN. Well, I don't think that I was acquainted at all with the certification movement. It was in order to certify the chemical workers union. However, he necessarily came into the picture during the deauthorization movement because 649 tried to force us to fire Graham and Ives at that time.

We did not feel that was proper or in order and we did not do it.

The CHAIRMAN. All right, proceed if there is anything further you wish to comment about.

Mr. MENNEN. Yes, sir; there is one other thing that does come up.

It is the letter which was written and has been offered here as testimony. I did write the letter and I did write it in conjunction with Mr. Lafferty here, and I would not be surprised if it was with Mr. Nagle and any other good advice I could get.

I wrote the letter and the letter was heartfelt and I am sure would have been heartfelt with all of you gentlemen if you had had to put up with a bunch of thugs and criminals that we had to put up with from 649.

That was my feeling at the time and I feel it was sincere, sir.

The CHAIRMAN. There is no question but what we may have felt the same way about Johnny Dio's union, and I think you were fortunate to get rid of them. But I understood you to say this morning that your company, either you or Mr. Oldenburg one or both of you, said that the company remained absolutely neutral in this issue of the chemical workers union.

Mr. MENNEN. We tried to force nobody, sir.

The CHAIRMAN. I did not say "force," but you would not regard, now just being frank about it, that letter as stating a definite neutral position, would you?

Mr. MENNEN. No, sir; but the inference that I drew was in our going out and circulating among the help prior to that time, sir.

The CHAIRMAN. You were asked this morning by Mr. Kennedy:

I understand that, but did you attempt to influence them at all against the chemical workers or tell them you were against the chemical workers?

And your answer was:

No, sir, I did not. No, sir.

I thought I remembered that testimony this morning.

Mr. MENNEN. I misunderstood Mr. Kennedy's question. I thought that he meant that we were circulating among the help and talking to them directly, sir. Our statement was public, sir, and Mr. Kennedy had that in his hand and I knew that was such. I thought he

meant that I was attempting to circulate and spread conversation about it.

The CHAIRMAN. I thought I remembered your testimony and I was surprised when this letter showed up here which was absolutely contradictory to what you had testified to.

Mr. MENNEN. That is why I wanted to make that matter clear.

Mr. KENNEDY. What about Mr. Oldenburg. Let me read you his answer to the question :

Mr. KENNEDY. Did the company actually itself—were they for or against the union or were they neutral?

Mr. OLDENBURG. Neutral.

Mr. KENNEDY. You never indicated to the employees one way or the other?

Mr. OLDENBURG. No, sir.

Mr. KENNEDY. The answer is "No"?

Mr. OLDENBURG. The answer is "No," sir.

Nothing could be clearer than that.

Mr. OLDENBURG. Well, you had the letter and the letter was public property and we misunderstood your questioning as such. I would still like to point out that if the help felt they wanted a union, we would still do nothing to stand in their way.

Mr. KENNEDY. Mr. Mennen, there is no question whatsoever that that letter is perfectly proper to inform the public and there is no question that the sympathies of the committee would be with you in anything to get rid of 102 or 649. The only question that arises, at least in my mind, is about these contradictions. Ever since we began talking to you, we have never gotten or never had any of these things explained to us. It continued right through this hearing here.

Mr. MENNEN. Are they properly explained?

Mr. KENNEDY. They are not, in my mind, at least. I do not understand why you could not come out and say that you were against 102, and against 649, but we had to go through all of this and then Mr. Oldenburg's and your answers to these questions about the fact that you stayed absolutely neutral, which, of course, is not the case.

The CHAIRMAN. As far as getting rid of 102 or 649, after you learned of the group that was running it, I can have some appreciation and understanding that you might resort to almost any tactics to get rid of them. But, on the other question of another legitimate union coming in and trying to organize the plant, that is where the question is raised here as to your testimony this morning. You say you misunderstood the question, but your testimony left the record in a shape where you had been flatly contradicted over your own signature. So, I wanted you to clear it up.

Mr. MENNEN. If you will recall my opening statement, I made mention of our feelings about 649 and the intolerable situation that existed at that time. I think that our feelings were clear right from that point, and I feel that I just misinterpreted the intent of Mr. Kennedy's question.

The CHAIRMAN. I am not taking a position for unions or against unions, insofar as any particular plant is concerned, whether it should be organized or should not be. I am not taking that position. But I think it is our duty, as this committee pursues its assignment, to go into these matters and make the record of practices

that exist today, that prevail, so that we can weigh them when we go to submit recommendations for legislation. Is there anything further?

Mr. KENNEDY. There were seven areas that were in dispute between Mr. Mennen's and Mr. Nagle's testimony and Mr. Mennen's and Mr. Oldenburg's testimony on the one hand, and, to some extent, Mr. Jackson's and Mr. Nagle's testimony on the other. One of the seven areas was this letter that we have talked about. The other was on the question of Mr. Shefferman coming to the plant, and there were five others.

The CHAIRMAN. Is there anything further? That is why I called you back; to see if you wanted to make any comment.

Mr. MENNEN. As far as I know, about Mr. Shefferman coming to the plant, it still goes. I told you at that time that I did not know him or that no executive knew him and, as far as I know, none did. As a matter of fact, I am not too sure but what this isn't the first time that I have heard this gentleman, Shelton Shefferman, mentioned. I referred to Nathan Shefferman, and I never knew Shelton Shefferman.

The CHAIRMAN. Is there anything further? Are there any questions?

Thank you very much.

The committee will stand in recess until 10:30 in the morning.

(Members of the select committee present at the taking of the recess were Senators McClellan and McNamara.)

(Whereupon, at 3:40 p. m., the hearing in the above-entitled matter was recessed to reconvene at 10:30 a. m. of the following day.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

FRIDAY, NOVEMBER 1, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10:30 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving M. Ives, Republican, New York; Senator Pat McNamara, Democrat, Michigan; Senator Barry Goldwater, Republican, Arizona.

Also present: Robert F. Kennedy, chief counsel; Pierre E. G. Salinger, investigator; Walter Sheridan, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan, Ives, and Goldwater.)

The CHAIRMAN. Mr. Sigmond Snyder?

It will be recalled that during the course of the hearings when we were looking into the Detroit situation, particularly with respect to Mr. Hoffa, we were interested in locating a Sigmond Snyder, who was an important witness, from the committee's viewpoint.

At that time we were unable to locate him and to serve a subpoena on him. The report from his wife and others was that no one knew where he was. On yesterday, however, we were able to serve a subpoena on him to appear forthwith. I do not know whether he has had time to get here or not.

At any time during the day that he arrives, the committee will be interested in hearing his testimony. If he does not arrive today, he will be expected to be here Monday. If he does not come at all, there will be some attention given him otherwise.

Who is your next witness?

Mr. KENNEDY. Mr. Merlyn Pitzele.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PITZELE. I do.

TESTIMONY OF MERLYN S. PITZELE

Mr. PITZELE. Mr. Chairman, could we dispense with the lights, please?

The CHAIRMAN. All right, gentlemen, will you desist for a moment? Will you state your name and your place of residence and your business or occupation?

Mr. PITZELE. Yes, sir. My name is Merlyn S. Pitzele, and I am labor editor of Business Week, and I live in New York City.

The CHAIRMAN. Thank you very much. Now, you have some request you wish to make of the committee?

Mr. PITZELE. Yes, I would like the lights turned off, please.

The CHAIRMAN. For the comfort and convenience of the witness, the lights will be turned off. May I inquire, does it interfere with you if the lights are channeled in this direction?

Mr. PITZELE. No, sir; it does not.

The CHAIRMAN. The lights will not be placed on the witness.

Mr. PITZELE. Is this, too, dispensable, Mr. Chairman?

The CHAIRMAN. Yes, it is. The photographers will desist.

Mr. Pitzele, you have counsel?

Mr. PITZELE. No, sir.

The CHAIRMAN. You waive counsel?

Mr. PITZELE. I do.

The CHAIRMAN. Thank you very much.

Gentlemen, the photographers and the movies and so forth will respect the Chair's direction.

Mr. KENNEDY. Mr. Pitzele, could you give the committee a little of your background, please?

Mr. PITZELE. I am trained academically as a labor economist. I have taught in the field and I have been employed in the course of my professional career by labor organizations and employers of various sorts.

I have written extensively in this field. I have lectured before groups of all sorts including universities. Is that sufficient?

Mr. KENNEDY. Just where were you born?

Mr. PITZELE. I was born in Chicago, Ill., in 1911 and I attended the Universities of Wisconsin and Chicago and some graduate work at Columbia University as well as these two other institutions.

I lived in Chicago until I was 13 years old and I moved to St. Paul, Minn., and I went from St. Paul, Minn., back to Chicago. I stayed as a Chicago resident until I went to the University of Wisconsin to teach.

I came to New York in 1940 to head up the industrial relations department in a firm called Wilson Oliver & Co., management consultants.

Mr. KENNEDY. You have been living in New York since?

Mr. PITZELE. Since 1940; yes.

Mr. KENNEDY. How long have you been with Business Week?

Mr. PITZELE. Since 1941.

Mr. KENNEDY. Now, you are appearing here voluntarily, at our request?

Mr. PITZELE. I am appearing voluntarily.

Mr. KENNEDY. You are not under subpoena?

Mr. PITZELE. I am not here under subpoena?

Mr. KENNEDY. Mr. Pitzele, in the course of your work, have you met Mr. Nathan Shefferman?

Mr. PITZELE. I have, both in the course of my work and in the course of other things.

Senator GOLDWATER. Could we clear up one point?

In answer to the question of counsel, are you appearing here voluntarily, or were you asked to come down?

Mr. PITZELE. I was, sir. I have been in contact with Mr. Salinger for a matter of months, in which he has asked me for information about a number of things, which I have provided, and he asked me the first time he came to me whether if in the committee's judgment there would be some purpose served by my coming here as a witness, whether I would come and I answered him "Yes."

The CHAIRMAN. All right.

Mr. KENNEDY. You say that you met Mr. Nathan Shefferman?

Mr. PITZELE. Yes, sir.

Mr. KENNEDY. Could you tell the committee when you first met him?

Mr. PITZELE. Yes.

Mr. Chairman, Mr. Kennedy has told me in a preliminary meeting this morning that he would like me to be detailed about this, and if I am excessively detailed, I trust you will indicate it.

The CHAIRMAN. All right.

Mr. PITZELE. In 1936 I was doing graduate work at the University of Chicago on a fellowship and I had a small, part-time job working for the Chicago Federation of Labor, which is the city central body of AFL unions in Chicago. The head of the Chicago Federation of Labor was a man by the name of John Fitzpatrick of the horseshoers' union.

My job was in connection with the radio station WCFL, which the Chicago Federation of Labor runs. I put on an educational program which was designed to teach something about parliamentary procedure, labor history, and the rude elements of economics.

When my fellowship came to an end in 1936, jobs were not plentiful and Mr. Fitzpatrick, who took an interest in me, gave me the names of a number of people to see about a job.

One name he gave me was up to that point unknown to me, Nathan Shefferman, who was identified as the employee relations director of the Sears, Roebuck Co. I made an appointment with Mr. Shefferman and I went to see him. The only reason, Mr. Chairman, that I have for recalling that appointment and that session with Mr. Shefferman was of something which happened during it.

I walked in his door, being shown in by his secretary, and he pointed a gun at me, a shotgun, and all during the course of my 10 minutes or 15 minutes of being interviewed, he kept on aiming this shotgun around the room and occasionally at what seemed to be the lobe of my right ear.

He explained, of course, that somebody had made him a present of a handmade, fine gun, and he himself was not a hunter and it was something of a toy to him and he was playing with it.

Under the circumstances that I was interviewed for a job, I did not think that I presented myself, perhaps, to the best advantage. At any event, I did not get the job. That was my first meeting with Mr. Nathan Shefferman, the year as I recall, being 1936.

Do you want me to continue?

Mr. KENNEDY. Yes. And what was the next contact you had with Mr. Shefferman or any member of his family?

Mr. PITZELE. All right. In 1938, I was teaching in the University of Wisconsin. I had in my class of undergraduate students who were taking labor economics, a young man by the name of Shelton Shefferman, who the committee knows as an associate of Nathan, in the firm of Labor Relations Associates.

I must say that Shelton Shefferman was not an outstanding student. As a matter of fact, the grades I gave him were in the lowest quarter of the class. Mr. Shelton Shefferman called himself to my attention repeatedly, being one students I had who would consistently come in the office after grades were out and complain about his grades.

He explained to me that his father was a large figure in the field, in the field in which he was taking this course from me, and that he just could not bring such low grades home to his father and wouldn't I please raise the grades.

In the course of the sessions in the office with me, in Madison, he would tell me about his father's eminence and his father's work, and at this time I think that he described for me the fact, or he told me the fact that his father was about to change the basis of his connection with Sears, Roebuck and go into the consulting business with Sears, Roebuck as his first or principal client.

He gave me to believe that Sears, Roebuck was going to help his father in the sense of getting other firms with which Sears did business for other clients for Mr. Shefferman.

During this period, so far as I recall, I did not see Nathan Shefferman, but I saw the boy every time the class met and on these rather unhappy occasions when grades came out.

My next meeting—shall I go on?

Mr. KENNEDY. Please.

(At this point, Senator McNamara entered the hearing room.)

Mr. PITZELE. My next meeting with Mr. Shefferman was either late in 1943 or early in 1944. I had been commissioned to write a series of articles for the Saturday Evening Post. The editors of the Post felt that there were some interesting personality pieces perhaps, in some second-level union leaders, people who were on the way up, but were not as well known as Philip Murray or Bill Green or the other folks, and John Lewis, who were in the top ranks. They asked me if I wouldn't write pieces about some of these people. I agreed to do so.

As I recall, the first piece I wrote was on George Meany who was then secretary-treasurer of the AFL and not nearly as prominent a gentleman as he is today. But when the first piece appeared, the Saturday Evening Post carried a little box to the effect that this was the first of a series in which a number of labor people were going to be written about.

Directly after that appeared, I got a call from Mr. Nathan Shefferman who asked me to take lunch with him in New York City. I did.

The purpose of the lunch was to induce me, encourage me to write a piece about Dave Beck. He told me that Dave Beck was an up-and-coming fellow and he was certainly going to be the next president of the teamsters union and would make his mark in the world—an understatement if I ever heard one—and that I should do a piece on Beck.

I told him that I had never met Beck and only knew about him what had appeared in the newspapers, that he ran the Western Con-

ference of Teamsters and was one of the vice presidents of the International Brotherhood of Teamsters. He said it would be easily arranged for me to meet Beck and would I have dinner with him and Dave Beck in New York the following week. I agreed to do so.

We went to dinner at a restaurant downtown, called the Grotto on Mulberry Street, which is renowned for its lobster diablo, and I met Beck for the first time.

Mr. Beck made a great—or at least I thought he made a great display of his abstemiousness. When he was offered a cigarette, he made a statement that he did not indulge in tobacco. When he was offered a cocktail before dinner, he made a statement that he never touched hard liquor. When the waiter suggested wine with the lobster diablo, he made a statement to the effect that he never touched wine.

Mr. Beck's conversation—or I sat back and let him do most of the talking. It was to a large extent, a monologue and I was interested in the man, and I had never met him before. To a large extent Mr. Beck talked about the need for a better understanding between labor and industry.

He represented himself as a stalwart exponent and defender of the American private enterprise system. I remember nothing else particularly about that meeting or about that dinner.

There was no talk at that dinner of my writing a piece. Perhaps Mr. Shefferman considered it indelicate or Beck considered it indelicate to raise this, and I was not encouraging a discussion of it because I felt after meeting Mr. Beck that I did not want to write a piece and that he was a little too enigmatic a figure and if I were going to write a piece about him it would require a lot of research and a lot of interviewing, which I was not prepared to do because there was a plenitude of subjects which I could tackle that would not require so much work.

So, when Shefferman called me within the week, after this dinner, I told him that I thought that it would just be too much work to do a piece on Beck. He said, "Well, we will do all of the work for you, what work there is to be done."

I said I would want to go out to the coast and talk to a lot of people who knew Beck and people who dealt with him and so on, and that I just did not have the time to do it. "Well," he said, "suppose you just tell us what you want and we will get you all of that information." He was very persistent and I said, "All right, get me some complete biographical material on Beck," and there was at that time, as I recall, a dispute between the west coast teamsters and, as I recall it, Safeway, the big grocery chain.

This was a dispute which at any moment might possibly erupt into a strike and make national news and so I said, "Also, give me all of the facts of what is involved in this Safeway dispute." Shefferman said, "All right, we will get all of that stuff to you. You can have everything you want."

I got nothing. Nothing ever came. If I thought about it at all, and there was no reason to think about it, I suppose my conclusion was that those people did not think it was worth the trouble, and they were convinced I wasn't going to do the piece anyway, and so that was the end of that interlude, and my first meeting with Beck.

My next meeting with Mr. Shefferman follows the election of Dave Beck to the presidency of the International Brotherhood of Teamsters, which came late in 1952. In order for me to make the implications of this clear, I think, if I may be permitted, I would like to talk about my relations with Beck, to which the Shefferman business is an auxiliary or ancillary point. May I do that, sir?

The CHAIRMAN. Yes.

Mr. PITZELE. Beck became president of the teamsters in 1952, and the teamsters were in some ways a strange organization. Mr. Daniel Tobin, who had been president, was a man who went his own way, and let the local entities of the teamsters union handle their business pretty much on their own. It was a very mixed bag, the teamsters union. There were some locals in some localities in which it was a union above reproach. You have here met such people as Tom Hickey, for example.

In Tom Hickey's area and in Tom Hickey's local union, the teamsters approach anybody's idea of what a good union should be. In other areas, the teamsters union was a far different kind of an organization. Beck came in in 1952 and he was looked toward as a strong man, as a fellow who was going to take hold of this organization and change its fundamental character from a lot of local virtually autonomous units into a much more monolithic structure.

Not only that but, gentlemen—and it may be hard for you to recall this in the light of what you have now found out and exposed about Dave Beck—in 1952, Dave Beck was tagged as a man who was going to clean up in the teamsters union, and who was going to be one of the forces for good in the American labor movement.

The first thing that Beck did when he became president, at least as far as New York was concerned, was to kick out of the union a man by the name of Joe Poppa, and take away the charter of a local in New York, local 202, which functions in the food market, the Washington market in New York City. This was hailed. There were editorials in the New York Times, and the press was just applauding unanimously because this was an example of the kind of new broom sweeping clean which everybody felt that the teamsters union required. There was going on also at this time, you may recall, a great effort to clean up the New York waterfront. We had had in the State of New York a crime commission, an anticrime commission, under Judge Proskauer, which had held extensive hearings on corruption in the New York waterfront.

It was held that one of the basic reasons for the corruption of all sorts on the New York waterfront was the evil nature of the International Longshoremen's Association.

Subsequently the A. F. of L. under George Meany, expelled the International Longshoremen's Association for being corrupt beyond repair, unreformable, and the A. F. of L. established a committee of top labor leaders whose purpose was to give the workers on the New York docks a decent union in place of the ILA, which had been expelled. Dave Beck was one of the leading figures in this movement to reform the New York waterfront. He worked with community agencies, with the entities of government in an effort to clean up the docks. This was back in 1953.

All right. There was in the teamsters union, since resigned, a gentleman by the name of David Kaplan, who was the economist for the

teamsters union, and a friend of mine of long standing. He was a man whose personal honesty and integrity I would be prepared to vouch for under any circumstances. David Kaplan came to me and asked me if I would see Beck. I did so. Beck wanted to hire me. He offered me a job. He offered me a job at my own figure of compensation, with any title that I wanted to choose, working for the teamsters union.

What he wanted me to do was to take over all of the publications of the teamsters union, improve them, edit them, start what he called a communications program in the union. It was a job that, although it was a very flattering offer, to be offered a job and name your own price, I turned it down.

Mind you, let me make it very clear, Mr. Chairman, I did not turn it down because I felt that Beck was a bad or evil man. I turned it down because I didn't want to change my professional career. Indeed, I thought at that time that Beck did represent a person who would make a very useful and a healthy contribution to a cleaner, better labor movement in America.

In any event, Kaplan came to me again after my refusal and said Beck wanted to see me another time, that Beck wanted to use me as an adviser. So I saw Beck again. He told me that he would like me to advise him on how the teamsters should be operating, how they should use whatever power they had to help clean up the waterfront situation. He would like me to keep under surveillance, so to speak, the publications of the teamsters union and make recommendations to him for their improvement. He would like me, he said, to advise him on what the teamsters union should be doing to improve their relations with employers.

I said I would be glad to do this, that it was something that I thought was a fine thing to be doing, and I would advise him up to the limit of my wisdom and ability. I thought that the matter had been left at that. It hadn't however, because Kaplan came to me after this meeting and he says, "Mr. Beck wants to put this on a business basis," this advisory relationship.

I told Kaplan, as I told Beck, that I would be glad to do this without fee or pay or anything of the sort, because it was something that I wanted to do. He explained to me that Beck didn't operate that way, that when Beck wanted advice from somebody he wanted to pay for it, and that the only way, presumably, that this relationship could be established would be if I would take a fee. So I asked Kaplan what a fee should be, what I should do under the circumstances. Kaplan said that, in his opinion, I should take a retainer of \$5,000 a year, and that if there were any expenses or additional costs that I would have in functioning as Beck's adviser I should send in an expense account.

I agreed to do this. Incidentally, let me say that there was never any expense account, never any expenses which I asked reimbursement for. Just to finish this before I come back to Shefferman, this relationship prevailed in 1953, 1954, and 1955. When I had my belly full, I terminated it. I came to certain conclusions then about Beck and the teamsters union, which I want to tell you about after I finish this part of my story, and I didn't want any part of it.

Now, after this conversation with Kaplan in which, at his suggestion, \$5,000 a year was the retainer, enter Nathan Shefferman. I got

the impression that Mr. Shefferman was chancellor of the exchequer, shall we say, for Dave Beck. Shefferman said to me he knew about these arrangements which had been made, and he asked me how I wanted to be paid. I didn't at first understand the purport of the question, but what it meant was did I want to be paid weekly, monthly, quarterly, or annually. I said to Shefferman that as long as I was going to get paid I would take it all at once. That was the end of that conversation.

What followed was a letter addressed to me on the letterhead of Labor Relations Associates in Chicago, a brief letter which "confirmed the arrangements"—that brief, precise, or ambiguous, as you prefer—and asking me to respond by saying that these were the arrangements. I did so, and there followed then, and in 1954 and 1955, a check from Labor Relations Associates, which was compensation for advising I did to Beck and the teamsters union.

During the period of these 3 years I found sometimes that Beck was hard to reach. When I had something to say to Beck I couldn't find him or I couldn't reach him. And at the end of the period Beck was not available to me. We had developed some very serious differences, apparently, about what the teamsters union should be doing to clean up what was becoming obvious, the growing fester of corruption within.

So Shefferman, on a number of occasions, was my line of communication to Beck. When I could not reach Beck, when he was unavailable to me, when he, in effect, did not receive a phone call that I put in to him, and the matter, I thought, was important enough, in my mind, at any rate, to communicate, I would sometimes use Shefferman as that channel of communication. I also used David Kaplan and, occasionally, Tom Hickey, in New York.

In 1955 I had come to the conclusion that Beck was either unwilling or unable to do anything about the rise of Hoffa and the whole spreading, festering evil in the teamsters union. That suspicion crystallized and became final in my mind when, in 1955, Hoffa, in the name of the teamsters union, offered a loan of \$600,000 to the old, corrupt, driven out of the A. F. of L. International Longshoremen's Association, and attempted to revive this union by the teamsters, who, in 1953 and 1954, had declared that they were going to fight it to the death.

When Beck was unable or unwilling to do anything about this proffer from Hoffa to rehabilitate—not reform, just strengthen, revivify—this utterly corrupt organization, that was the end of the line. That was my final conclusion arrived at a few years before this committee started its investigations, that Mr. Beck at the very least had to be written off as ineffectual if not, indeed, worse.

So I told Kaplan and I told Shefferman—by this time I couldn't reach Beck—I had had a number of proposals, which I will be glad to tell you about if you are interested in them, as to what Beck should do with his union. As an adviser I was a great failure, Mr. Chairman. He took none of my advice.

Well, I wouldn't say he took none of it. He took none of my advice where it had to do with cleaning up the union. I obviously became difficult to him. I mean, he didn't want to hear these proposals any more, so he just didn't answer when I called him, or I didn't see him any more.

The CHAIRMAN. May I interrupt at this point?

Mr. PITZELE. Yes.

The CHAIRMAN. Did you have a 3-year contract in the beginning?

Mr. PITZELE. No. I had no contract.

The CHAIRMAN. Just year to year?

Mr. PITZELE. Yes, sir.

So, as I say, after these events, in 1955 it became very clear to me that this was a hopeless situation. Because I could not communicate with Mr. Beck, I told Mr. Shefferman and Mr. Kaplan that I was done, period, that I wanted nothing more to do with it.

The CHAIRMAN. Have you concluded? I don't mean to interrupt.

Mr. PITZELE. No, I understand, Mr. Chairman. I could fill in. There are more details, but this is the skeleton outline of my relationship.

The CHAIRMAN. As you are interrogated, you may fill in any additional details as you like.

Are there any questions before the counsel proceeds, gentlemen?

Senator McNAMARA. Yes, Mr. Chairman, I would like to ask a question.

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. Did you agree in advance with Mr. Beck as to how much per year salary you would receive?

Mr. PITZELE. I never discussed it with Mr. Beck or Mr. Shefferman. Beck was the kind of a man, obviously, who didn't like and didn't want to discuss financial details. This is the "Chancellor of the Exchequer," Mr. Shefferman. There was no discussion of a fee at all, with Mr. Beck, after I turned down his job to come to work for him and naming my own figure. That was with Mr. Kaplan.

Senator McNAMARA. So you were adviser to Mr. Beck from 1952 to 1955, and you were paid by Shefferman for this advising that you did?

Mr. PITZELE. I would put it, sir, that I was paid through Shefferman.

Senator McNAMARA. By Beck?

Mr. PITZELE. I assume that the teamsters reimbursed—maybe the teamsters paid more than I received. I don't know. There was never anything between me and Beck in writing about that. All I know was that this arrangement was made by an official of the teamsters union, Mr. David Kaplan, and the compensation came through Mr. Shefferman, Labor Relations Associates.

Senator McNAMARA. Then you don't accept that he was "Chancellor of the Exchequer" at this point? He was previously, but he is not now? I mean, if he was, then he paid you through Shefferman; is that not right?

Mr. PITZELE. Senator McNamara, I don't quite understand your question, sir.

Senator McNAMARA. Well, the question was this: Were you paid by Beck through Shefferman?

Mr. PITZELE. Yes.

Senator McNAMARA. All right. And you had no idea you were to be paid in advance? You had no agreement?

Mr. PITZELE. No, sir. I had with Mr. David Kaplan this conversation which I have related for you, in which Kaplan's suggestion was—I mean, I made it clear that I was prepared to do it without any fee.

Senator McNAMARA. How did Kaplan enter into the paying off of you for this thing? He didn't enter into the payment; did he?

Mr. PITZELE. No.

Senator McNAMARA. Let's forget Kaplan.

Mr. PITZELE. The figure came from Kaplan, the \$5,000.

Senator McNAMARA. \$5,000 per year?

Mr. PITZELE. Yes.

Senator McNAMARA. Then he suggested \$5,000?

Mr. PITZELE. He did, sir.

Senator McNAMARA. And you said that was acceptable?

Mr. PITZELE. Yes, sir.

Senator McNAMARA. And you were paid on that basis?

Mr. PITZELE. Yes, sir.

Senator McNAMARA. How do you qualify as a labor expert or adviser?

Mr. PITZELE. How do I qualify? Well, one has always—

Senator IVES. Mr. Chairman, may I butt in there for just a minute. I don't think Senator McNamara was here when you started out your discourse this morning and gave your background.

Senator McNAMARA. Well, just briefly. I don't want you to review the whole thing.

Mr. PITZELE. I wondered if you wanted more than that. Excuse me, Senator.

Well, first of all, I was born into the labor movement, if you please. My father was a small official in the Brotherhood of Locomotive Firemen and Enginemen. The early family friends that I recall as a child, coming to the house, were people who were associated with my father in the labor movement. When I came out of college in the depression, like most other young people, I was dependent on family contacts, so to speak, for a job. So the first job I got, really, when I came out of college, was working for a labor organization, the Chicago Federation of Labor. I went into that, Senator.

Senator McNAMARA. That is sufficient. That is all I wanted.

Mr. PITZELE. I am trained, and deeply trained, in this field.

Senator McNAMARA. You said that Tom Hickey, of New York, was a good labor leader?

Mr. PITZELE. I do, sir.

Senator McNAMARA. When he was before our committee, he indicated that he had been the international representative of the teamsters' union during the period when these charters were bouncing around in the New York area. If he is a good labor official, in your judgment, why didn't he do something about these so-called bouncing charters? He didn't have any good answer for that. Do you have any answer?

Mr. PITZELE. Let me say this, Senator: I knew Tom Hickey in a period earlier than this. I knew him as a man who was determined, devoted, and really one of the most stalwart people in the labor movement in New York involved with community groups in cleaning up the New York waterfront.

I know Tom Hickey. I read in the report of this committee that I believe Senator Mundt said to Tom Hickey when he was down here, "You have a face like an affidavit." I would like to add that, insofar as I am aware, he is without any larceny in his heart. This is, in my judgment, an honest, simple man. If you want my hypothesis—I do

not know Tom Hickey in any other relationship. I have never met Hoffa, I have never met Dio, I know none of these people. If you want my hypothesis as to why he did nothing, I shall be glad to give it to you, but it is an opinion. Do you want it?

Senator McNAMARA. No; not necessarily.

Mr. PITZELE. O. K.

Senator McNAMARA. I expect that most of the people that you come in contact with in the labor movement fall in this category, then, of good labor leaders, if this is your description. This is the yardstick you use?

Mr. PITZELE. This is one of the yardsticks I use.

Senator McNAMARA. He wasn't a crook; he was honest?

Mr. PITZELE. I would say "Yes," because most of the people in the labor movement are decent, honest people, and I come into contact with a reasonable cross-section of them. I would then say that most of the labor people that I know are decent, honest people.

Senator McNAMARA. Using the yardstick of honesty, and not corruption?

Mr. PITZELE. Yes, sir.

Senator McNAMARA. Then Hickey was just one of the——

Mr. PITZELE. He certainly would number among them. If this committee ever exposed anything wrong about Tom Hickey, I will confess to my great surprise.

Senator McNAMARA. I think the only thing the committee exposed wrong about Tom Hickey was that he was responsible for charters at the time that these improper charters were bouncing around in New York. I think that was very definitely improper. I don't think the average international representative of labor organizations would tolerate that condition. He would either quit or he would take control.

The CHAIRMAN. May the Chair interrupt, Senator?

I think, as I recall the testimony, Mr. Hoffa forced those charters. Mr. Hickey didn't know about it until after they were up there.

Senator McNAMARA. Mr. Hickey was probably the only one that didn't know about it. Everybody else knew about it. I don't see how he can be in the position of international representative and not know about it. He had the responsibility and Hoffa did not. Beck issued the charters and he issued them through the international representative, ordinarily.

The CHAIRMAN. He didn't in this instance.

Senator McNAMARA. No, he didn't in this instance, but this was the customary course.

Mr. KENNEDY. They didn't follow that, Senator.

Senator McNAMARA. I realize they didn't follow it, but still, they were bouncing around in his area.

Mr. PITZELE. Did he know about them?

Mr. KENNEDY. No.

Mr. PITZELE. I didn't think so.

Senator McNAMARA. What is that?

Mr. PITZELE. My recollection of his testimony is that he didn't even know about them.

Senator McNAMARA. Did you know about them?

Mr. PITZELE. Certainly not.

Senator McNAMARA. You didn't know about the bouncing charters in New York?

Mr. PITZELE. When newspaper stores began to appear—

Senator McNAMARA. Which was long before we started.

Mr. PITZELE. Right. But the charters were already issued then. The charters couldn't bounce, Senator, before they were issued. Your criticism of Hickey is about the issuing of the charters, as I understand it.

Senator McNAMARA. No. About not controlling them. His job as international representative was to control the charters in New York.

Mr. PITZELE. Well, Senator McNamara, I think that Hickey was—and would tell the committee—was ineffectual in this situation to do anything with the combine of the national office of Beck on the one hand and Hoffa and Dio on the other. You might say he might have resigned. But sometimes, Mr. Chairman—wait a moment, Senator—may I just observe this, as long as we are talking rather philosophically?

Sometimes a man makes a very hard choice, that if he stays in a situation, he may still be able to influence it for good, even though that situation is deteriorating. I am not imputing this, necessarily, to Tom Hickey. But knowing this man, I would say that maybe this is a consideration which affected him. He has given his whole life to the teamsters union. As long as there is an opportunity in there to do something to improve it, I don't think that he would resign from the lists and retire.

Senator McNAMARA. Don't you think you would if you had been in his place?

Mr. PITZELE. I don't know that I would. I would have fought with every weapon at my command the Hoffas and the Dios and the Becks in this situation, on the theory that I perhaps could have been more effective staying in and fighting, as these people who are fighting Hoffa's election now. They have not resigned. Their whole case that they can make before the courts is that they are members in good standing of the teamsters union, and that their rights have been trampled on. If those people had resigned, the basis for that action, it seems to me, would not have existed.

Senator McNAMARA. The only thing wrong with that position is that he apparently didn't do this fighting, because these charters continued.

Mr. PITZELE. All we can say, Senator, is that he was not successful. Neither you nor I know fully what he did to oppose these people.

Senator McNAMARA. Well, when he appeared before this committee as an international representative, and we asked him where a certain charter was, and he said "I don't know," I don't think he is taking that much interest.

Mr. PITZELE. Tom Hickey is an orphan in the teamsters union. That title international representative as far as it attaches to Tom Hickey, is a fiction, a meaningless fiction.

Senator McNAMARA. Who did he support in the election at the last convention in Miami? Do you know?

Mr. PITZELE. I do not recall. I think he supported the opposition to Hoffa. He tried to mobilize support for an alternative to Hoffa. He was the first fellow in the union to stick his neck out on that. His life in New York has been made miserable within the teamsters union on account of it, and his whole job and his whole career and his whole

profession hangs in the balance because of his courage in fighting the thing.

Senator McNAMARA. You indicated that you thought the prediction that "Beck would make a mark in the world," I suppose that is the labor world, was an understatement. Would you say he made a scar, rather than a mark?

Mr. PITZELE. I certainly would. I certainly would say that.

Senator McNAMARA. That is all.

Senator IVES. We will proceed.

Mr. KENNEDY. I take it that you were an admirer and had been an admirer of Tom Hickey for some time?

Mr. PITZELE. I am an admirer of a man who has honesty and integrity and who is willing to face some kind of scorn as apparently, Senator McNamara scorns him for staying in and fighting what he believes to be the good fight.

Mr. KENNEDY. In 1953, when this fight was going on regarding the ILA and the support for Mr. Hickey against the corruption in the ILA was withdrawn by Dave Beck, what was your position at that time?

Mr. PITZELE. The support for the fight against the ILA was not withdrawn until 1955.

Mr. KENNEDY. Oh, no. When Mr. Beck came out originally for a cleanup of the ILA, then there was a dispute between Mr. John O'Rourke and Mr. Tom Hickey in 1953.

Mr. PITZELE. That is right.

Mr. KENNEDY. In which Mr. Beck gave only outward support to Mr. Hickey but gave actual support to John O'Rourke.

Now, Mr. Hickey was complaining about that from 1953 on, and I am just wondering whether that did not arouse some suspicion in your mind regarding Mr. Beck.

Mr. PITZELE. On these events, if that was Mr. Hickey's testimony, I must disagree. In 1953 Mr. Beck's support insofar as I could see it, I again was in a position to see it rather clearly, was very strong support for Hickey as against O'Rourke, and I will relate an incident if you would like me to.

Mr. KENNEDY. I am talking now about the end of 1953. Do you say that Mr. Beck did not turn his support to John O'Rourke over Mr. Hickey at that time?

Mr. PITZELE. On the waterfront?

Mr. KENNEDY. Yes.

Mr. PITZELE. Not to any knowledge that I have, Mr. Kennedy.

Mr. KENNEDY. I thought it was really not something that came out before this committee, but it was common knowledge in 1953 that Mr. Beck had withdrawn his support of Mr. Hickey in the fight on the ILA.

Mr. PITZELE. Mr. Kennedy, sometimes common knowledge is wrong.

Mr. KENNEDY. The facts have been established since that time, that that was true and that is my point.

Mr. PITZELE. I must say that I dissent and I disagree.

Mr. KENNEDY. What about when the Hoffman committee began its investigation in 1953, of Mr. Hoffa and some of the other people out in the Midwest and Mr. Beck did not take any action at that time?

Mr. PITZELE. Beck represented to me that he was in the process of taking action. This, in part, is where he turned to me for advice. One

of the things that I advised Beck to do and he encouraged me to work out the details for him, was to establish at least a plan, a plan for the establishment of a national commission made up of people whose eminence, integrity, and qualifications were beyond any dispute.

It was the leading lawyers, for example, and what was planned was that this commission would be given special authority. There would be an amendment to the teamsters constitution. This commission would be given special authority and full power to deal with any charge of corruption against anybody in the teamsters union.

MR. KENNEDY. Mr. Pitzele, I am talking now about 1953. I understand that you stated that you made this proposal, but that was the last proposal that you made.

MR. PITZELE. Oh, no; it wasn't. What was the last proposal—and this was not the last proposal, but this discussion of this went over a course of a period of time—what helped to end and disenchant me completely was the fact that nothing was done about this proposal and that Hoffa obviously was rising to a position where he was more powerful.

MR. KENNEDY. The Hoffman hearings were back in 1953, and you were taking some of your money in 1955, which was 14 or 15 or 16 months later.

MR. PITZELE. I tried to describe at the outset what kind of union the teamsters was, where there were these virtually autonomous segments of it. Everyone was aware that there was in this union elements which were unsavory and corrupt. Hoffa represented such an element.

MR. KENNEDY. Then there was the Archer Midland case, involving Vice President Brennan, in 1954. You remained on the payroll well after that case was made public and Mr. Connelley's machinations in 1953 and 1954. All of those things were going on during this period of time, and you continued to receive money well after that.

MR. PITZELE. That is right. My function, and my conviction was that Beck was—and they may seem, in this point in history, in view of all of this hindsight, to be very naive—but my belief was, up until 1955, that there was still hope in the situation that Beck would do something to clean it up.

MR. KENNEDY. Now, you spoke of Mr. Shefferman as a sort of a chancellor of the exchequer. Did you find in your relationship, when you saw Mr. Beck and Mr. Shefferman, that Mr. Shefferman was paying Mr. Beck's bills?

MR. PITZELE. On these occasions I have described, Shefferman would always pick up the tab. On those occasions when I viewed these gentlemen together, Mr. Shefferman was involved in making travel plans for Mr. Beck, and talking with the airlines and getting his accommodations and making hotel reservations for him over the telephone and checking with him on his schedule. I never saw Beck pay for anything.

MR. KENNEDY. Here you were, working with these two men, and you were receiving your money—

MR. PITZELE. Wait a second.

MR. KENNEDY. Wait until I finish—from the teamsters, through Mr. Shefferman, and Mr. Shefferman was a representative of Sears, Roebuck, of a large number of employers, and he was paying all of the bills of Mr. Beck during this period of time. Didn't that raise

any question about Mr. Beck's honesty and integrity there? You were right on the scene.

Mr. PITZELE. I was concerned up until I found that there was nothing left to be concerned with, with Mr. Beck's good intentions. Shefferman I will describe for you, if you want.

Mr. KENNEDY. I do not think it is answering the question, Mr. Pitzele.

Mr. PITZELE. Will you repeat the question?

Mr. KENNEDY. These things were going on not only for Mr. Hoffa.

Mr. PITZELE. Was I disturbed by them, you mean?

Mr. KENNEDY. And also Mr. Beck himself, for a period—this is not just for a year or a couple of months; this is a period of 3 years that you were receiving this money.

Mr. PITZELE. All right. Beck's phrase—and Shefferman repeated it often enough—was that he was giving these characters enough rope to hang themselves.

Mr. KENNEDY. He was giving himself enough rope, too, because he was the one who was having Mr. Shefferman pay the bills.

Mr. PITZELE. You are so right, Mr. Kennedy.

Mr. KENNEDY. I don't understand you. With the background that you have had in labor, working with this man and working with the head of the biggest labor union in the country, and working with a representative of employers, and you saw all of these things going on, this representative of the employer paying all of Mr. Beck's bills, and yet you continued in this arrangement for a period of 3 years. I don't understand your explanation, if you have any explanation.

Mr. PITZELE. Well, my explanation is that both Mr. Beck, as the record has subsequently proved so fulsomely, both Mr. Beck and Mr. Shefferman were somewhat peculiar gentlemen.

A relationship there and the way Mr. Shefferman picked up all of the tabs, in another situation and with another union man, let us say, would be a remarkable or incredible thing. But this is just the way it was. It was a situation in which I was prepared to do what I could, to work in the situation for what I thought to be good ends.

Mr. KENNEDY. Did you see anything improper in the relationship between Mr. Beck and Mr. Shefferman?

Mr. PITZELE. Well, I saw what I have described as this peculiar thing. What lay behind this, and whatever Beck meant to Shefferman in terms of Shefferman's clients and so on, I saw none of. The propriety of one man picking up the tab for another man did not loom to me as a large and improper thing.

Mr. KENNEDY. This is not just one man picking up the tab for another man. This is Nathan Shefferman, the representative of Sears, Roebuck, and some 300 clients, picking up the tab of the head of the largest labor union in the country. Did you see anything improper in that?

Mr. PITZELE. If—now wait a minute—

Mr. KENNEDY. Will you go ahead?

Mr. PITZELE. If, in return for picking up the tab, Shefferman got more than his money back when Beck at the end of the month paid his bills, then, certainly, it would be improper. But I had no reason to believe that there was anything more than that involved.

MR. KENNEDY. You were seeing this, Mr. Pitzele, going on over and over again, according to your own testimony. Every time you saw them together, Mr. Shefferman paid the bill.

Now, didn't you see anything improper in this sort of practice continuing for a long period of time over and over and over again?

MR. PITZELE. Mr. Kennedy, I saw such peculiar things by 1955 that I wanted out.

MR. KENNEDY. I am talking about this in 1953 and 1954, and you were receiving and getting your money in 1955. You got paid in 1955 and you worked in 1955. Could you answer the question, whether you saw anything improper in Mr. Beck himself?

MR. PITZELE. In Shefferman paying for lunch?

MR. KENNEDY. Over and over and over again?

MR. PITZELE. Wait a second; there were not so many occasions, Mr. Kennedy.

MR. KENNEDY. Every time you saw them together; let us put it that way.

MR. PITZELE. There were maybe 3 or 4 such occasions. I must confess that I did not see anything improper in Shefferman paying the checks.

MR. KENNEDY. That answers the question. Did you see Mr. Beck very often during this period of time, this 3-year period?

MR. PITZELE. Early, during the waterfront phase, you might say, of these years, I saw Mr. Beck frequently. I don't know whether I saw him every time he was in New York, but I would see him at least once a month.

MR. KENNEDY. What about 1954; how often?

MR. PITZELE. 1954, much less; 1955, so far as I recall, not at all.

MR. KENNEDY. You did not see him at all in 1955?

MR. PITZELE. This is my recollection.

MR. KENNEDY. What did you receive the \$5,000 for in 1955?

MR. PITZELE. For transmitting to Beck, either by phone early in 1955, I could still reach the man, or through Kaplan or through Shefferman, the kind of advice which I thought was useful and the best advice I could provide.

MR. KENNEDY. Let me ask you this: Were you on the New York State Mediation Board during this period of time?

MR. PITZELE. I was, sir.

MR. KENNEDY. What was your position on that?

MR. PITZELE. I was a member of the board and subsequently chairman of the New York State Board of Mediation.

MR. KENNEDY. When were you a member of the board?

MR. PITZELE. I became a member of the board in 1945 or 1946.

MR. KENNEDY. When did you become chairman of the board?

MR. PITZELE. In 1950 or 1951, before these events you are here concerned with.

MR. KENNEDY. Were you chairman of the board during the period of time you were receiving the \$15,000?

MR. PITZELE. I was.

MR. KENNEDY. 1953 and 1954 and 1955?

MR. PITZELE. Yes, sir.

MR. KENNEDY. You were chairman of the board?

MR. PITZELE. Yes, sir.

Mr. KENNEDY. Did that board have any matters dealing with the teamsters?

Mr. PITZELE. May I describe the operations of the board?

Mr. KENNEDY. If you could answer the question and then describe it, that would be fine.

Mr. PITZELE. Yes. The New York State Board of Mediation has a civil-service staff who are concerned, or a staff which is concerned primarily with mediation of labor disputes. I say "primarily" because in addition to that, the State of New York provides free arbitration; and parties who do not want to avail themselves of other institutions which provide arbitration will, in the State of New York, use the board.

The New York State Board of Mediation has seven members. It is a per diem, part-time function for the members, including the Chair. The chairman has no authority in statute or regulation which distinguishes him from the other six members of the board.

None of the members of the board make their living by being members of the mediation board. They are made up of people who presumably have some special expertness, some special expertness and relationships in the field of labor and management.

Theory is that a lawyer who has, let us say, employer clients can be very useful in mediating a dispute by working with the employer in that dispute and so, on the board there are people like myself—and I am no longer a member of the board, by the way—people who like myself are professional people in this field, who are employed as lawyers, as counselors and so on, employers, industries, unions, and so on.

Each of the members of the board usually leave the mediation to the staff. The members of the board function primarily as arbitrators, for which the State of New York compensates them or did then, at the fee of \$25 a day.

During this period, although in New York the teamsters have their own authority, there is set up in New York under Mr. Hugh Sheridan, a special umpireship so that disputes which arise with the teamsters union are referred to this special tribunal which they themselves and jointly with the employers have established.

But without recalling any specific cases, I would say that very likely, if not indeed certainly, over these years some cases that the staff of the board was concerned with involved teamsters unions. The members of the board have no authority. The individual civil-service person or board member is assigned to, or takes the case and works with it from the beginning to the end and uses for purposes of trying to achieve a settlement of the dispute, whatever contacts and resources he has open and available to him.

Mr. KENNEDY. Now, a few more questions: The editor of the magazine—

Senator IVES. Just a minute. Before going on to that, I want to clear this thing up about the mediation board. I know something about Mr. Pitzele.

Mr. PITZELE. You do, indeed.

Senator IVES. In the first place, I want to read into the record section 754 of the New York State labor law, which has to do with the disqualification of members of the board. Insofar as I am aware regardless of the good or bad taste involved or the propriety involved,

you committed no violation of the law, and so I am reading this particular section into the record. It is headed, "Section 754: Disqualification":

No member or officer of the board having any financial or other interest in a trade, business, industry, or occupation in which a labor dispute exists or is threatened and of which the board has taken cognizance, shall be qualified to participate in any way in the acts or efforts of the board in connection with the settlement or avoidance thereof.

That is the end of the quotation. I think that was the law when you were on the State mediation board. Now, the question I want to raise is this: Did you have the approval of Governor Dewey when you took this work up with the teamsters?

Mr. PITZELE. You mean when I entered into this arrangement with Mr. Beck, did I have his approval?

Senator IVES. Yes.

Mr. PITZELE. He was unaware of it, sir.

Senator IVES. That is all I want to know. I want to make sure that he knew nothing about it.

Mr. PITZELE. May I add that the Governor—and this applies to Governor Harriman, too, Senator, because the chairman serves at the pleasure of the Governor and after Governor Harriman came in I continued and he did not replace me as chairman for a period of 6 months or a year. I did not take up with either of these two governors under whom I served, the work I did as a private individual.

Senator IVES. I have pointed out that you were not violating the law and I read the law into the record for that purpose. The question of propriety is something else. I wanted to find out if the Governor knew you were acting in this capacity. Thank you very much.

Mr. KENNEDY. Was the editor of your magazine aware of the fact that you were receiving this money from the teamsters?

Mr. PITZELE. No, sir.

Mr. KENNEDY. Mr. Chairman, could I ask Mr. Salinger to put in the figures of what we found out from an examination of the accounts?

The CHAIRMAN. Just one moment. I would like to get one thing clear. During the time you served on the board and during the time you were drawing this salary from Labor Relations Associates, were there any matters involved before the board or any matters pending before the board in which the teamsters union was interested?

Mr. PITZELE. In which the teamsters union was interested?

The CHAIRMAN. Where it figured, where it was interested in the outcome of the decision of the board.

Mr. PITZELE. Sir, there is no decision by the board. I just want to make that clear and I will answer the question.

The CHAIRMAN. I will withdraw the word "decision" and where it was interested in whatever function the board performed.

Mr. PITZELE. My answer is, although I cannot recall any, there must have been some, so my answer would be "yes."

The CHAIRMAN. In other words, there were cases where the board was undertaking to dispose of or handle matters, or work in connection with matters in which the teamsters union was involved?

Mr. PITZELE. Where staff or individual members of the board might have been involved.

The CHAIRMAN. Now, wait a minute.

Mr. PITZELE. I am sorry.

The CHAIRMAN. What I am trying to get, and I do not know just how this board functioned, is this: Would the teamsters union at any time during the 3 years you served on the board and drew this salary—you served longer than that—during the time you drew this salary, was there anything before the board in which the teamsters had an interest, a direct interest as the teamsters union, in a controversy or anything to be mediated in which they were interested or involved?

Mr. PITZELE. I would answer that, sir, "yes."

Senator IVES. May I raise a point there?

Did you, Mr. Pitzele, at any time, when the teamsters were involved in anything before the board, participate as a member of the board?

Mr. PITZELE. Thank you for that question, Senator.

Senator IVES. I think that is important. If you did not participate, you violated no law. If you did, I am not so sure.

Mr. PITZELE. The answer is an emphatic "no," sir.

Senator IVES. Thank you.

Senator McNAMARA. As I understand it, you were hired by Mr. Shefferman as a consultant?

Mr. PITZELE. No, sir; I was not hired by Mr. Shefferman as a consultant.

Senator McNAMARA. Who hired you?

Mr. PITZELE. I was hired by Mr. Beck. I am very anxious to make that clear, sir. If there is any question in your mind, let's go into it in detail.

Senator McNAMARA. I think it is important. I think we ought to go into it in some detail.

Mr. PITZELE. I think it is important, too. I did nothing for Nathan Shefferman or Labor Relations Associates. But let me say this, sir, if we explore this in full detail, it is not because Mr. Shefferman did not ask me to. Frequently, after these meetings with Beck, when Shefferman and I would go down in the elevator together, or something of the sort, he would give me little snippets of information as to what he was doing. He was involved in a situation, which this committee has had an interest in, in Port Arthur, Tex., and he would tell me about how effective he—he never said his organization—he has been in this, and would suggest to me that perhaps I could refer clients to him. So, as I say, my lack of business relations in Shefferman's business is not because Shefferman would not like to have had me be helpful to him. I referred nobody, recommended him to nobody.

Again, not because at that point I thought he was a crook, a scoundrel, or an evil man, but I knew nothing about his business. When people asked me, as they sometimes do, they had some problem and they want some advice, some consultant, I would refer them to one of the better known firms that do consulting in this field, or a lawyer of probity and quality.

Senator McNAMARA. You weren't hired by Shefferman. Who were you hired by?

Mr. PITZELE. Beck.

Senator McNAMARA. You were hired by Beck and paid by Shefferman?

Mr. PITZELE. Yes, sir.

Senator McNAMARA. Who did you send your reports to or your recommendations? Whatever you call them.

Mr. PITZELE. Beck. And when Beck was not available, through whatever channels were open to me.

Senator McNAMARA. You considered yourself an employee of Beck and not an employee of Shefferman?

Mr. PITZELE. Absolutely, sir.

Senator McNAMARA. You got a payroll check, I suppose, from Shefferman?

Mr. PITZELE. I got three checks, so far as I recall—Mr. Salinger can check this—over this 3-year period from Labor Relations Associates which were signed, I think, by Shelton Shefferman.

Senator McNAMARA. It is an unusual situation, to say the least.

Mr. PITZELE. It certainly is.

Senator McNAMARA. You were hired by one and paid by another. It is a little hard to understand.

Mr. PITZELE. As you understand, this is an unusual union and these are unusual people.

Senator McNAMARA. Not only an unusual union, but you had an unusual employer.

Mr. PITZELE. I had an unusual employer, yes, I did indeed.

Senator Ives. I would like to clear up one thing.

Mr. Pitzele, while I pointed out what appears to me to be very clear, and that is in what you did you violated no law, at the same time I am not passing judgment on the propriety of what you did. I cannot approve of that at all. You and I know each other pretty well, and I am a little surprised.

Mr. PITZELE. You are surprised that I thought that I could be useful in this situation, and to make some contribution to cleaning up the teamsters?

Senator Ives. No. You know my action and activity in the field of labor relations. It has always been my effort to try and get labor and management together.

Mr. PITZELE. Right.

Senator Ives. Not by collusion of a dubious manner. I don't think yours was either. I am not saying that. But I am surprised that you didn't clear this with the Governor before taking it on.

Mr. PITZELE. Well, Senator, let me be very candid with you and tell you that it never even occurred to me. I say I will be very candid with you and tell you that there was no decision in my mind—yes or no—to clear it, that it never even occurred to me. I say, as a private individual, the Governor has enough—

Senator Ives. You were an appointee of the Governor?

Mr. PITZELE. Yes, sir.

Senator Ives. Responsible to the Governor?

Mr. PITZELE. Yes.

Senator Ives. You were chairman of the State mediation board?

Mr. PITZELE. Yes.

Senator Ives. It seems to me that on a thing like this you would want to talk to him about it before you did it. I know I would have if I had been in your place.

Mr. KENNEDY. Mr. Pitzele, it never occurred to you also that there was anything improper in Mr. Shefferman paying Mr. Beck's bills, is that right? These things never occurred to you, that there was anything wrong or improper?

Mr. PITZELE. In paying his lunch bills?

Mr. KENNEDY. These other bills. As you described him, acting sort of as an exchequer for him.

Mr. PITZELE. Toward me?

Mr. KENNEDY. No. For Mr. Beck.

Mr. PITZELE. No, no, no. The only time I saw him was making travel arrangements and hotel accommodations for Beck.

Mr. KENNEDY. Didn't you understand that he was going to arrange to get the architect on the building, and that he was going to make all of those arrangements?

Mr. PITZELE. Subsequently that he took care—that is a very ambiguous phrase—of the professional services which Beck and presumably the teamsters needed, that he was going to hire the architect for the new building, the interior decorator. Whether he hired doctors and medical help and so on for Beck, I don't know. But it occurred to me as being strange, very strange.

Mr. KENNEDY. And you in your personal experiences instead of being paid outright by the teamsters, you were paid by Mr. Shefferman for a period of 3 years?

Mr. PITZELE. That is right. Very strange.

Mr. KENNEDY. Did you have any similar financial arrangements with any other labor organizations?

Mr. PITZELE. No, sir.

Mr. KENNEDY. Did you have any financial arrangements with any labor organizations?

Mr. PITZELE. No, sir.

By any financial arrangement, do you mean this kind of advisory relationship?

Mr. KENNEDY. No. Were you receiving any money from any other labor organization?

Mr. PITZELE. During this period—I can't fix the date. Mr. Salinger did not go in to this with me, as I recall, so I have no reason to fix the date. The only thing I ever did for which I was compensated was to write a booklet, a history of a union on its 21st anniversary, which they distributed to their members and to the public at large, and the employers in the industry. For this I received compensation.

Mr. KENNEDY. What union was that?

Mr. PITZELE. Local 32-B of the building service employees.

Mr. KENNEDY. In New York City?

Mr. PITZELE. Why do you wince, Mr. Kennedy? Yes, in New York City.

Mr. KENNEDY. When was that?

Mr. PITZELE. I don't know exactly, but I would say it is in the period 1952 to 1955.

Mr. KENNEDY. How much money did you receive for that?

Mr. PITZELE. I received \$2,000, but it wasn't all for me, because I arranged for the artwork—in other words, I had an artist do illustrations for it, there was some research attendant to it. My own net compensation—I would have to check back on my income tax returns—my own net compensation, I think, was about \$1,000.

Mr. KENNEDY. And did the Governor at that time, or the editor of your newspaper or magazine, know about that arrangement?

Mr. PITZELE. No, sir.

Mr. KENNEDY. That is the only other one other than the teamsters?

Mr. PITZELE. Yes, sir.

Senator IVES. Mr. Chairman, I think we ought to point out at this stage in this hearing that Mr. Pitzele's position on the board of mediation in the State of New York, was only part-time employment. It was not full employment. It was on a per diem basis, and I dare say that months went by and he had nothing to do.

Mr. PITZELE. Exactly, sir.

Senator IVES. In other words, if you hadn't had these other things bringing you in remuneration you wouldn't have been able to be on the board of mediation?

Mr. PITZELE. Exactly, sir.

Senator IVES. How much did you make a year on the board of mediation? Not much of anything, did you?

Mr. PITZELE. Well, again, I would have to check back.

Mr. KENNEDY. Did you receive \$50 a day?

Mr. PITZELE. I don't know what it is now.

Senator IVES. It was \$25 and it is now \$40. I think in 1955 it was raised to \$40.

Mr. PITZELE. I would say hurray for the people who raised it.

Senator IVES. We had a change in administration in 1955, you will remember, and it went up.

Mr. PITZELE. Yes. Thanks for recalling it.

Mr. KENNEDY. Can Mr. Salinger put these figures in?

The CHAIRMAN. Mr. Salinger has been previously sworn.

Mr. Salinger, where did you get the information you are now supplying?

Mr. SALINGER. These figures are taken from the books of the Labor Relations Associates in Chicago, provided to us in Chicago by Mr. Shefferman.

The CHAIRMAN. These are Shefferman's records?

Mr. SALINGER. That is right, sir.

The CHAIRMAN. All right.

Mr. SALINGER. First of all, there is a special account set up in the books known as special services. During the year 1953, that account shows 2 payments to Merlyn S. Pitzele, 1 on September 25, 1953, in the amount of \$2,500, with a notation "Writer," and another on November 4, 1953, another \$2,500, with the notation "Writer," a total of \$5,000 for the year 1953.

In the year of 1954, on March 22, 1954, one check to Mr. Pitzele in the amount of \$5,000. All of this is in the account of special services.

In the year 1955, 2 checks, 1 on March 7, 1955, in the amount of \$2,500, and another, March 18, 1955, in the amount of \$2,500, a total of \$5,000 in the year 1955, and a total of \$15,000 for the 3 years.

An examination of the cash receipts book of Labor Relations Associates reflects the receipt of retainer fees from the teamsters as follows:

September 25, 1953, \$5,000; February 26, 1954, \$5,000; March 11, 1955, \$6,000.

In other words, our examinations of these books lead us to the conclusion that the teamsters paid Mr. Shefferman \$1,000 more than he paid Mr. Pitzele.

Mr. PITZELE. This is very interesting. This was the question I had, Mr. Salinger, as to what was Shefferman getting out of this.

The CHAIRMAN. Is there anything further?

The committee will stand in recess until 10 : 30 Monday morning.

(The following committee members were present at time of recess : Senators McClellan, Ives, Goldwater, and McNamara.)

(Whereupon, at 12 : 03 p. m., the committee was recessed, to reconvene at 10 : 30 a. m. Monday, November 4, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

MONDAY, NOVEMBER 4, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10:30 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Karl E. Mundt, Republican, South Dakota.

Also present: Robert F. Kennedy, chief counsel; P. Kenneth O'Donnell, assistant counsel; Irwin Langenbacher, assistant counsel; Pierre Salinger, investigator; Walter Sheridan, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session: Senators McClellan and Mundt.)

The CHAIRMAN. As the Chair announced last week, there had been a witness who we hadn't been able to serve with a subpoena, and finally we found him and served him with a subpoena to appear forthwith.

His testimony is not desired in connection with this particular series of hearings, but was desired in the previous hearings we held. His name is Ziggy Snyder. I announced that I expected him here today as he did not appear last Friday, and he did not respond to the call of the Chair at that time.

Is Mr. Snyder present? Is Mr. Ziggy Snyder present?

Ziggy Snyder? Ziggy Snyder?

I believe that is the way they do it in court. I have called him three times. Let the record show that he does not respond. This matter will receive the further attention of the committee in due course.

The next witness is Mr. Donald Skaff. Will you come around, please?

Mr. Skaff, do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SKAFF. Yes, sir.

TESTIMONY OF DONALD SKAFF

The CHAIRMAN. Mr. Skaff, state your name, your place of residence, and your business or occupation, please.

Mr. SKAFF. My name is Donald Skaff. I live at 3633 Sherwood in Flint, Mich., and I am the secretary of the Skaff Rug Co.

The CHAIRMAN. Thank you very much. How long have you been secretary of that company?

Mr. SKAFF. Since 1950.

The CHAIRMAN. Do you waive counsel?

Mr. SKAFF. Yes, sir.

The CHAIRMAN. All right, Mr. Kennedy, proceed.

Mr. KENNEDY. Mr. Chairman, this morning, and for an hour or so this afternoon at least, we will have a number of small-business men who had some contacts with Labor Relations Associates and specifically with Mr. George Kamenow, who is the representative of Labor Relations Associates in Detroit, Mich., and Mr. Donald Skaff is the first of a group of witnesses.

Mr. Skaff, how many employees does your company have?

Mr. SKAFF. Approximately 45.

Mr. KENNEDY. Now, was there an effort to organize those employees in 1956?

Mr. SKAFF. Yes, sir.

Mr. KENNEDY. When did that start?

Mr. SKAFF. It started in February of 1956.

Mr. KENNEDY. By what union?

Mr. SKAFF. The Teamsters Union, Local 332, in Flint.

Mr. KENNEDY. Could you tell us how the organizational drive by the teamsters originated?

Mr. SKAFF. Yes; I have a few notes here in reference to it.

The overriding theme in the entire incident is that we were prepared to have a vote of the employees involved from the very first day that we were approached by the teamsters. They were unwilling to have a vote. They wanted to organize from the top, and have us sign, and not have a vote of the employees.

The CHAIRMAN. Who wanted you to do that?

Mr. SKAFF. The teamster business agent, Mr. Frank Kierdorf.

The CHAIRMAN. He wanted you to sign without having a vote of the employees?

Mr. SKAFF. That is correct.

The CHAIRMAN. All right.

Mr. SKAFF. So on February 22, of 1956, they started picketing our store.

Mr. KENNEDY. Was that the first time you had heard from them, or had you heard originally—

Mr. SKAFF. No, we talked and their demanding recognition and our refusing recognition, all during the month of February. On February 22 the picketing started.

Senator MUNDT. Prior to that time had you told the business manager you were willing to have a vote?

Mr. SKAFF. Many, many times we expressed our desire to have a vote.

Senator MUNDT. Prior to the time of the picketing?

Mr. SKAFF. Prior to the time of the picketing. In fact, from the first moment that he indicated he wanted recognition.

Senator MUNDT. What would his reaction be when you told him that?

Mr. SKAFF. He said, "We will not consent to a vote."

Senator MUNDT. In other words, he didn't want to have a vote. You wanted to have a vote to determine whether they were to be the bargaining agent, and because you refused to push them into it from the employer's standpoint, they began the picketing operation?

Mr. SKAFF. That is correct.

All during the month of March, during the picketing, we had many, many incidents of employees being threatened, their families being threatened, and at least a dozen instances of our carpetlayers being run off the road and told that they would be hurt if they continued with the job.

The CHAIRMAN. What was that?

Mr. SKAFF. They would be hurt if they continued with the job. All during this month of March we had constant meetings with the business agent of the teamsters, expressing our desire to have a vote and our willingness to abide by the vote. They would not consent. Approximately on March 20 there were two stinkbombs thrown through the front window of my mother's home in an effort to make us succumb to their demands, at a cost of about \$1,500, and several months of misery.

On March 28 or thereabouts, the front window of our store was broken, and a fire was started in the store of unknown origin. On April 1 we requested and got a meeting with the Michigan State Mediation Board, and our sole request at the meeting with the mediation board was a vote of the members, and the union refused. After about 20 minutes, the mediation board recommended that we join the union, since it was simply a case of who is the strongest.

The CHAIRMAN. Since what?

Mr. SKAFF. He said it was simply a case of who was the strongest, the staff of our company and the teamsters, and he recommended we sign recognition papers.

The CHAIRMAN. Who made that recommendation?

Mr. SKAFF. I don't know the man's name, but he is a Michigan State Mediation Board member.

The CHAIRMAN. A member of the board?

Mr. SKAFF. That is right.

The CHAIRMAN. Did they have signed cards from a majority of the employees?

Mr. SKAFF. They were never displayed.

The CHAIRMAN. Did they claim to have?

Mr. SKAFF. Yes; they claimed to have signed cards from a majority of the unit involved.

The CHAIRMAN. What unit was that?

Mr. SKAFF. The unit of carpet installers only.

The CHAIRMAN. I beg your pardon?

Mr. SKAFF. Carpet installers. The unit of our employees who install carpet are the only ones that they were concerned with.

The CHAIRMAN. They claimed to have a majority of them signed as favoring joining the union?

Mr. SKAFF. Yes, sir; which I don't believe.

The CHAIRMAN. They never did produce the cards to you?

Mr. SKAFF. Never produced them.

The CHAIRMAN. Did they produce them to the Mediation Board of Michigan?

Mr. SKAFF. No, sir.

The CHAIRMAN. How many employees did you have in that unit?

Mr. SKAFF. Approximately 18.

The CHAIRMAN. Approximately 18?

Mr. SKAFF. Yes, sir.

The CHAIRMAN. What information did you have from your employees, if any, regarding their attitude?

Mr. SKAFF. No definite information.

The CHAIRMAN. You had no definite information?

Mr. SKAFF. No.

The CHAIRMAN. So, it was just a claim that they had signed up a majority of them?

Mr. SKAFF. Yes.

The CHAIRMAN. Without the claim being substantiated?

Mr. SKAFF. That is correct.

Senator MUNDT. Let me ask you about your mediation board. Wouldn't the board have the power to order an election?

Mr. SKAFF. No, sir; not in Michigan.

Senator MUNDT. They would not?

Mr. SKAFF. Both parties have to agree to an election in Michigan. The union and the company have to agree. We were too small a company to demand NLRB, and we could not get the NLRB because of our size. We had to resort to mediation board, and Michigan law is that both parties have to agree to a vote.

Senator MUNDT. You are operating in a twilight zone, then, beyond the purview of the Federal Board and in a State where the State board doesn't have the power to order an election unless both parties agree.

Mr. SKAFF. That is correct.

Senator MUNDT. Do you think that there is some inadequacy in the law, either at the State level or the Federal level, to meet the needs of a small-business man like you in that connection?

Mr. SKAFF. We are just small-business people, unacquainted with the politics of labor.

Senator MUNDT. Other small-business men have told me in recent conferences I have had that they feel that they are orphans in this labor storm; that they are too small to come under the authority of the Federal Board, and the State board either says they don't have the responsibility, or, in the case of the Michigan board, they don't have the authority.

They write to me or come to me and say, "What do we do in a case like this? How do you get out of this kind of a box?" As I understand it, you went voluntarily to the mediation board trying to find some kind of relief from the goon-squad attacks that had been launched against your mother, and against your store, and against your workers; is that right?

Mr. SKAFF. That is correct. We were the ones that requisitioned them.

Senator MUNDT. And the only answer was to suggest that you capitulate.

Mr. SKAFF. Their only answer, after a very short meeting, was that it was a test of strength, and the teamsters were considerably stronger than we were.

The CHAIRMAN. What kind of strength is that?

Senator MUNDT. I was going to ask you; what kind of strength was that?

Mr. SKAFF. A matter of their holding our merchandise away from us, so we could not do business, and our efforts to go and get the merchandise.

Senator MUNDT. Did you ever consult a lawyer? Aren't there any laws in the State of Michigan against people throwing firebombs and stinkbombs, and engaging in physical violence? Did you ever go to a lawyer or a law-enforcement officer with your problem?

Mr. SKAFF. Yes, sir.

Senator MUNDT. What happened then?

Mr. SKAFF. Nothing.

Senator MUNDT. You mean you didn't go, or you went there and couldn't find them, or you went there and they said, "Well, this is the way things go in Michigan, and we can't do anything about it," or what happened?

Mr. SKAFF. There were more acts of violence, and we requested help from the police, who told us they could not get involved in a labor incident. If we could furnish proof of who started the fire in our building, or of who threw the stinkbomb in my mother's home, they would be glad to prosecute them.

Senator MUNDT. If a bank is robbed in Michigan, do the police refuse to look for the bank robber unless you can tell them who did it?

Mr. SKAFF. That is not a labor incident, sir.

Senator MUNDT. But in labor incidents, they have a different kind of law?

Mr. SKAFF. They have a different outlook, at least.

Senator MUNDT. You must identify the goon or the marauder, and unless you can do that, the police can't get involved.

Mr. SKAFF. They refused to, and I talked to the chief of police in Flint for a matter of 3 hours.

Senator MUNDT. Well, I don't know. In conferences I have had, not with people in Michigan, but with small-business men, they say that the labor situation, from the standpoint of a small-business man, leaves him clear out in left field, because, if he is too small, NLRB doesn't take jurisdiction. Apparently, there are other States and other areas and other problems where State mediation boards or labor authorities either lack the power to function or they lack the capacity or courage to function. A small-business man does have problems, and I am curious to know what you did to extricate yourself from this problem.

Mr. SKAFF. I will get to that.

Mr. KENNEDY. Can you tell the committee what other acts of violence were committed, and what brought you to have the conference with the chief of police?

Mr. SKAFF. All right.

Mr. KENNEDY. How many were there altogether? Would you give a recitation of those facts?

Mr. SKAFF. Well, we are up to April 1, now, where we had a meeting with the State mediation board. We had picketing all of this time, and we could not get our merchandise into the store by way of truck because the teamsters refused to cross the picket line. So we determined to have it shipped by rail, and have our own men pick it up at the railroad station, and do our business that way.

On April 4 we had 2 men out, 1 by the name of Bill Moore, and he was standing beside his truck awaiting direction as to where to pick up his merchandise, and there was a vicious attack by 4 or 5 men who hit him with a sharp object, as the doctor called it at the hospital, and knocked him to the ground. Then they spun around the railroad station attempting to run over him and he rolled under his truck, and when we took him up to the hospital he had 20 stitches in his head and a very serious, brutal attack was made on him. Now, this was April 4. On April 9 we thought that we had enough evidence to go to the courts and ask for an injunction.

Mr. KENNEDY. Was there any identification of the car or the automobile at that time?

Mr. SKAFF. Yes, sir; the car was recognized by railroad employees, the license number was taken, and it was a car owned by local 332 of the teamsters in Flint.

Mr. KENNEDY. So did you report that to the police?

Mr. SKAFF. Well, we reported the license number, and they reported to us that it was owned by them.

Mr. KENNEDY. Was anybody arrested?

Mr. SKAFF. No, sir.

Mr. KENNEDY. Nothing was done?

Mr. SKAFF. Nothing was done.

Senator MUNDT. Did they report back to you why nothing was done?

Mr. SKAFF. There was not enough evidence. Our man was struck from behind, and he could not identify anyone and there seemed to be a lack of enthusiasm to do anything.

Senator MUNDT. Now, in all of this series of picketing incidents, were any of your own employees involved in the picket line? Were they the picketers, or were they all picketing together?

Mr. SKAFF. There were two of our employees that were picketers.

Senator MUNDT. Two picketers?

Mr. SKAFF. Yes, sir.

Senator MUNDT. And the rest of them were all outsiders?

Mr. SKAFF. Ten or twelve hired or business agents of the union.

The CHAIRMAN. Go ahead.

Mr. SKAFF. On April 9 we went into court and got an injunction against picketing, and against violence. Approximately April 12, 3 days after the injunction against violence, 6 of our trucks were found with sugar in the gas tanks, and fortunately they were not driven, and it ended up in what could have been a very expensive proposition, but ended up with about a \$400 cost to us and a loss of a day's business, in direct violation of the injunction.

Now, late in April we made our first contact with Labor Relations Associates because about that time we were beginning to think we were pretty small and we couldn't do much against the teamsters. Labor Relations Associates recommended that we sign the recognition paper with the union.

The CHAIRMAN. Who was the representative?

Mr. SKAFF. At that time we talked to Mr. Scotty Fawkes.

The CHAIRMAN. You got in touch with Labor Relations?

Mr. SKAFF. Yes, sir.

The CHAIRMAN. Why?

Mr. SKAFF. We were told by a friend of mine that they could possibly help us, that they represented other large firms such as J. L. Hudson's, and Sears, Roebuck.

The CHAIRMAN. All right; go ahead.

Mr. SKAFF. We made our contact with Labor Relations, and they recommended that we sign a recognition paper with the union, and we still had a little fight left in us, and so we didn't sign. We went on for 5 months, fighting with the union and finally we agreed that we were much too small, and on July 12 we signed recognition papers without a vote, and without a show of cards, and simply organization from the top.

The CHAIRMAN. During that 5 months, was Labor Relations retained by you?

Mr. SKAFF. No, sir.

The CHAIRMAN. They were not retained by you when they gave that advice?

Mr. SKAFF. Yes; they were not retained, but we called on them, and we got one bit of advice which we refused.

The CHAIRMAN. I know, but were you paying them?

Mr. SKAFF. We paid them for the one interview.

The CHAIRMAN. You paid them for the one interview?

Mr. SKAFF. Yes, sir.

The CHAIRMAN. When they advised you to go and sign up?

Mr. SKAFF. That is right.

The CHAIRMAN. Five months before you did sign up?

Mr. SKAFF. That is 3 months before we signed, and 2 months after the beginning of the incident.

The CHAIRMAN. Two months after what?

Mr. SKAFF. The beginning of the incident, and approximately 3 months before we signed up. The whole incident took 5 months to consummate.

Mr. KENNEDY. So you signed this recognition agreement for the carpetlayers; is that correct?

Mr. SKAFF. That is correct.

Mr. KENNEDY. When you just had this one conference with Labor Relations Associates, did you hear from the union again regarding any of your other employees?

Mr. SKAFF. Yes, sir.

Mr. KENNEDY. When was that?

Mr. SKAFF. Three days later, or approximately 3 days later.

Mr. KENNEDY. What day, approximately?

Mr. SKAFF. About July 15, 1956. We were informed, and I can't recall whether it was officially or just verbally, that the teamsters union intended to organize our carpet salesmen, that the demands would be approximately $2\frac{1}{2}$ times the commission rate paid to the average salesman in the country. This, of course, we couldn't stand.

The CHAIRMAN. The demands would be $2\frac{1}{2}$ times the average rate paid in the country?

Mr. SKAFF. Yes, sir.

The CHAIRMAN. That was their demand?

Mr. SKAFF. That is what they indicated their demands would be, and that is what they said they would be.

Senator MUNDT. This was 3 days later than what?

Mr. SKAFF. Three days following the recognition papers, signing of the recognition paper for our carpetlayers.

Senator MUNDT. Then they came back with another demand, 3 days after that?

Mr. SKAFF. Three days after that, for our carpet salesman, an entirely different unit.

Mr. KENNEDY. How many men are in the carpet salesmen's unit?

Mr. SKAFF. In the neighborhood of 13 or 14.

Mr. KENNEDY. Had there been an election there at any time?

Mr. SKAFF. No, sir.

Mr. KENNEDY. What steps did you take then?

Mr. SKAFF. We contacted Labor Relations Associates, and asked them to represent us.

Mr. KENNEDY. Who did you talk to?

Mr. SKAFF. To George Kamenow.

Mr. KENNEDY. Did he agree to represent you?

Mr. SKAFF. Yes, sir.

Mr. KENNEDY. Did he tell you at that time or subsequently what his fee would be?

Mr. SKAFF. Yes; he told us at that time the fee would be \$2,000 and approximately \$75 or \$100 per month.

Mr. KENNEDY. \$75 or \$100 per month, plus \$2,000 as a flat sum?

Mr. SKAFF. Yes, sir.

Mr. KENNEDY. Did he tell you at that time or later what that \$2,000 was to be for?

Mr. SKAFF. At a later date, on August 12, he came and asked for the \$2,000, and he asked that it be made out in a check to Trans World Airlines, which we did, and he told us that it was to be used to take some people on a trip.

Mr. KENNEDY. Did he indicate who the people were?

Mr. SKAFF. No, sir.

Mr. KENNEDY. Did he call them "the boys," or say, "I want to take the boys on a trip"?

Mr. SKAFF. "The people" was what he said.

Mr. KENNEDY. Who did you assume he meant when he said he needed the \$2,000 to take some people on a trip?

Mr. SKAFF. I made no attempt to find out.

Senator MUNDT. Was the check made out to TWA?

Mr. SKAFF. Trans World Airlines; that is correct.

Senator MUNDT. Was the check subsequently cashed?

Mr. SKAFF. Yes, sir.

Senator MUNDT. Did you examine the endorsement? Was it endorsed by TWA, or was that a front?

Mr. SKAFF. I have the check with me. The back of it says, "Identification known," and that is all it says.

The CHAIRMAN. I present to you what purports to be a photostatic copy of the check, and will you examine it and state if it is?

(The document was handed to the witness.)

Mr. SKAFF. Yes, sir.

The CHAIRMAN. That is a photostatic copy of the check?

Mr. SKAFF. Yes, sir.

The CHAIRMAN. It will be made exhibit No. 44.

(The document referred to was marked "Exhibit No. 44" for reference and will be found in the appendix on p. 6583.)

The CHAIRMAN. State to whom it is made payable.

Mr. SKAFF. Trans World Airlines.

The CHAIRMAN. In what amount?

Mr. SKAFF. \$1,998.80.

The CHAIRMAN. What is the date of it?

Mr. SKAFF. August 15, 1956.

The CHAIRMAN. How did you arrive at that odd amount, \$1,998.80?

Mr. SKAFF. That was the figure submitted by Mr. Kamenow.

The CHAIRMAN. Is the assumption to be indulged that they used that check to purchase airline tickets?

Mr. SKAFF. I wouldn't know.

Senator MUNDT. Is there anything in the endorsement of the check indicating that the money went elsewhere than to TWA?

Mr. SKAFF. Not as far as I know.

Senator MUNDT. Is there a TWA endorsement stamp?

Mr. SKAFF. I can't tell, sir.

The CHAIRMAN. Do you have the original check also?

Mr. SKAFF. Yes, sir.

Senator MUNDT. You have that in your pocket?

Mr. SKAFF. Yes, sir.

(The witness examined the original check.)

Mr. SKAFF. It is Trans World Airlines' stamp on it.

Senator MUNDT. And nobody else, indicating it went back to Kamenow or a labor leader or anyone like that? Apparently it went into the bank account of TWA.

Mr. SKAFF. As far as I know; yes.

Senator MUNDT. I am curious to know whether it really went to TWA for airplane transportation, or whether they routed it through that organization back to someone else. But there is nothing on the endorsement, as I understand it from you, to indicate that it went anywhere else than to TWA.

Mr. SKAFF. That is right.

The CHAIRMAN. Have you any information, that is, subsequent information, whether it was used to buy transportation?

Mr. SKAFF. No, sir.

The CHAIRMAN. You have no information with respect to that?

Mr. SKAFF. No, sir.

The CHAIRMAN. Do we have anything on that?

Mr. KENNEDY. We are going to have Mr. Kamenow to testify.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Skaff, who did you assume were these people he was talking about?

Mr. SKAFF. I made no assumption on that.

Mr. KENNEDY. You made no assumption at all as to who he was referring to?

Mr. SKAFF. No; I mean the inference is there.

Mr. KENNEDY. What was the inference? What was that to you? Who did you assume that the trips were for?

Mr. SKAFF. I made no assumption, sir.

Mr. KENNEDY. You say that the inference was there, and what inference did you gather?

Mr. SKAFF. I do not know what it was used for.

Mr. KENNEDY. Did you ever hear from the union again?

Mr. SKAFF. No, sir.

Mr. KENNEDY. You never did?

Mr. SKAFF. No, sir.

Mr. KENNEDY. They never came back?

Mr. SKAFF. No, sir.

Mr. KENNEDY. And they never signed up your carpet salesmen?

Mr. SKAFF. No, sir.

Mr. KENNEDY. You never had any difficulty with them after this payment?

Mr. SKAFF. Yes; we have had difficulty with them in our carpet-laying.

Mr. KENNEDY. But not as far as your other employees were concerned?

Mr. SKAFF. No, sir.

The CHAIRMAN. In other words, did you regard that check as just a payoff to keep them from pursuing their efforts to organize the carpet salesmen?

Mr. SKAFF. No; I regarded it as a payment to a professional labor consultant.

The CHAIRMAN. That is the way you regarded it at the time, but the results have been that it served, or at least it is coincidental, it served to stop the drive to organize your carpet salesmen.

Mr. SKAFF. Well, I think that since our commission rate is approximately 40 percent above the average commission in the country, that the salesmen realized such demands would only result in a closed store, and lost jobs.

The CHAIRMAN. Well, the salesmen may have realized that, your carpetlayers or laborers may have realized that, too, but that wasn't a sufficient consequence to prevent them from insisting on organizing the carpetlayers.

Mr. SKAFF. I was to find that I think the union figured their goals had been met, and went on.

The CHAIRMAN. This \$1,998.80 was a part of their goal?

Mr. SKAFF. I don't know.

The CHAIRMAN. Well, 2 and 2 make 4.

Senator MUNDT. Were these carpet salesmen in the same category as carpetlayers in that they were not coming to you as salesmen asking to be unionized, but that the union effort was coming from the outside? Is that true of the carpet salesmen, too?

Mr. SKAFF. That is correct.

Senator MUNDT. And did you indicate that you would be willing to have an election, as you did in the case of the carpetlayers?

Mr. SKAFF. We made no move except to hire Labor Relations Associates.

Senator MUNDT. Subsequent to the settlement with this Labor Relations Associates, did your carpet salesmen ever come to you and say they wanted to go into a union or that they wanted to have a union or an election?

Mr. SKAFF. No, sir.

Senator MUNDT. Your only contact, as far as unionizing salesmen was concerned, came from outside?

Mr. SKAFF. Yes, sir.

Mr. KENNEDY. Are you still paying the \$75 or \$100 a month?

Mr. SKAFF. Yes, sir.

Mr. KENNEDY. Do you have many conferences with Mr. Kamenow?

Mr. SKAFF. Very seldom.

Mr. KENNEDY. Why do you continue to pay the \$75 or \$100, and why did you pay the \$2,000, and what was your reason for making the arrangement?

Mr. SKAFF. We wanted competent and professional people to represent us in a field that we were completely unfamiliar with, and in a field that we had just been whipped badly at.

Mr. KENNEDY. You didn't feel that \$2,000 was rather a high figure to be paying?

Mr. SKAFF. I thought it was low at the time, because we were ready to close the store.

The CHAIRMAN. You felt it was either do that or close the store?

Mr. SKAFF. Yes; and in fact, we stopped shipments.

The CHAIRMAN. You what?

Mr. SKAFF. We stopped shipments of our carpet, preparatory to closing if the demands were pressed.

The CHAIRMAN. So, you were buying peace; that is what you were doing.

Mr. SKAFF. We were hiring a professional labor-relations consultant.

The CHAIRMAN. Yes, sir; to buy peace for you.

Mr. SKAFF. I can't answer that.

The CHAIRMAN. I think it answers itself.

Mr. SKAFF. Yes, sir.

Senator MUNDT. It seems to me that 1 of 2 things must be true: Either Mr. Kamenow, if that is his name, must have been in on this from the beginning, working with the outsider organizers, and when you hired his services he called off the dogs, or else he has some strange connection with these outside unions and, when you paid him the fee, when you paid him the \$2,000, he was able to induce them to lay off your salesmen and go someplace else. Do you have any reason to believe that Mr. Kamenow was in on this all the way through, that he was behind the people trying to organize you, and that this was a shakedown on his part, or do you think he served as a third party legitimately?

Mr. SKAFF. I have no opinion on that. I do know that he represented large firms throughout the country, and that, for some reason, the unions disliked having him across the table from them; that he represented his clients in union, in labor trouble very well, and that is why we hired him.

Senator MUNDT. He had the reputation in the community of being able to get results, do you mean, as far as companies having difficulty with unions are concerned?

Mr. SKAFF. He had a reputation in the country.

Senator MUNDT. But at least in the community. You did not know much about the reputation in the country?

Mr. SKAFF. Yes; I did.

Senator MUNDT. When you talked to him, did you inquire as to his procedures, or did you go in and say, "Look, you have a good reputation for saving a person in trouble"? Did you ask him what assurance he would give you that the \$2,000 wouldn't be wasted, that the \$75 a month would not be wasted?

Mr. SKAFF. He gave us no assurances. You have to look at this thing in the light of the brutal, vicious attacks that they made on us in the last 5 months. We were grasping for straws. We were prepared to close the store. They had almost killed a man of ours. They had set fire to our store.

Senator MUNDT. I can say that I am very sympathetic with your position. I can understand that you might see the difference between paying \$2,000 in cash and going broke. The \$2,000 was a bargain. I can see you taking any recourse that you could take, if you had gone to the mediation board, to the police, and the courts. You faced a dismal choice of either going broke or paying \$2,000. What I am curious about is how Mr. Kamenow, if he wasn't part of the picture to begin with, had such unusual authority with the union voices as to call them off. From your standpoint, it looks as though this was just \$2,000 that you had to pay for the opportunity of doing business as a small-business man in an American community.

I don't know what choice you had, if you had fought it that long. But I can't understand how the third party, if he was a third party, could exercise all of that authority. You don't know? You can't shed any light on it?

Mr. SKAFF. It is not for me to say. No.

Senator MUNDT. All right.

Mr. KENNEDY. That is all.

The CHAIRMAN. I have one other question. You had 18 employees, as I understand it, who were carpetlayers or laborers.

Mr. SKAFF. In that end of the business.

The CHAIRMAN. That is the group that was organized?

Mr. SKAFF. Yes, sir.

The CHAIRMAN. And there were 13 or 14 carpet salesmen?

Mr. SKAFF. Right.

The CHAIRMAN. What percentage of all of your employees do the 18 represent?

Mr. SKAFF. Eighteen out of 45. It represents about 38 percent.

The CHAIRMAN. What is your annual gross volume of business?

Mr. SKAFF. \$1 million.

The CHAIRMAN. \$1 million?

Mr. SKAFF. Or a little over a million.

The CHAIRMAN. I believe that is all at the moment. All right. Thank you very much. You may stand aside.

Call the next witness.

Mr. KENNEDY. Mr. Max Graff.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GRAFF. I do.

TESTIMONY OF MAX H. GRAFF

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. GRAFF. My name is Max H. Graff, vice president of Otto P. Graff, Inc., Ford dealer in Flint, Mich. I reside at 919 South Franklin.

The CHAIRMAN. Do you waive counsel?

Mr. GRAFF. I do.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. How many employees do you have?

Mr. GRAFF. We have about about 90 employees altogether.

Mr. KENNEDY. Ninety?

Mr. GRAFF. Ninety.

Mr. KENNEDY. How many of those are salesmen?

Mr. GRAFF. There are approximately 10 new-car salesmen. Ten new-car salesmen.

Mr. KENNEDY. Was there an effort in 1954 to have your employees join a union?

Mr. GRAFF. Yes; there was.

Mr. KENNEDY. An organizational drive by what union?

Mr. GRAFF. We received a letter April 8, 1954, from the local union No. 299, which is a teamster local in Detroit, signed by Henry Lower, the business agent.

Mr. KENNEDY. Local 299; that is the local that has as its president Mr. James Hoffa?

Mr. GRAFF. I guess that is right.

Mr. KENNEDY. And this letter was signed by Henry Lower as business agent of that local?

Mr. GRAFF. Right.

The CHAIRMAN. I present to you what purports to be a photostatic copy of the letter. Will you please examine it and state if you identify it?

(Document handed to witness.)

Mr. GRAFF. Yes; that is the letter.

The CHAIRMAN. It may be made exhibit No. 45.

(The document referred to was marked "Exhibit No. 45" for reference and will be found in the appendix on p. 6584.)

Mr. KENNEDY. What steps did you take after you received the letter that they intended to organize you?

Mr. GRAFF. Well, as soon as we received the letter, we were in a position of seeking counsel on labor-relations matters, something that is quite a complicated field. So I went to Detroit, and I talked to a fellow by the name of Dick Fritz, who is a partner in the legal firm called Stringari, Rommel & Fritz. At that time they were handling the Ford dealers' labor-relations problems in Detroit. I talked with Mr. Fritz for perhaps an hour. At that time they were having some organizational problems in Detroit among the Ford dealers, and as a result, they told me that they were pretty busy, and that I should try to get somebody up in Flint who could perhaps take care of the problem and give us advice, and so on.

After that I went back to Flint. Of course, I had heard of Labor Relations Associates from several respected small-business men in Flint, and I talked to them about LRA.

Mr. KENNEDY. Is that Mr. Ken McGregor that you heard from?

Mr. GRAFF. I talked with him and also George Spaulding from Applegate Chevrolet Co.

Mr. KENNEDY. Who is Ken McGregor?

Mr. GRAFF. The United States tire distributor in Flint.

Mr. KENNEDY. Did they tell you about LRA?

Mr. GRAFF. Yes. And I also talked with a representative from Hubbards Hardware in Flint.

Mr. KENNEDY. Did they tell you that LRA had a close relationship with certain union officials?

Mr. GRAFF. Would you state that again?

Mr. KENNEDY. Did Mr. McGregor or Mr. Spaulding or any of these other people tell you that LRA had a close personal relationship with any union officials.

Mr. GRAFF. I don't think I would put it exactly that way. They did say that they had handled their labor relations problems and did it by using entertainment of the officials and doing favors for them, by getting things purchased at wholesale, and so on.

Mr. KENNEDY. So did you make arrangements—

Mr. GRAFF. Soon after that, we went ahead. As I say, I talked with a fellow from Hubbards Hardware. They had retained them for a couple of years and had had a union in their store, he had negotiated a contract for them, and he said they did a very good job for them, and that they also represented Sears, Roebuck, J. L. Hudson in Detroit, and other reputable firms.

So after our investigating the thing and deciding that perhaps was the outfit that should represent us and give us advice as to what to do, I called George Kamenow in Detroit and he came up to Flint.

Mr. KENNEDY. You had a meeting with him there?

Mr. GRAFF. Right.

Mr. KENNEDY. Did you discuss a fee at that time?

Mr. GRAFF. Right.

Mr. KENNEDY. What did he say?

Mr. GRAFF. He told us that it would cost us approximately \$4,800, being broken down by \$250 a month, plus not to run over \$1,800 for entertainment fees.

Mr. KENNEDY. \$250 a month that you would have to pay and a maximum of \$1,800 for the entertainment?

Mr. GRAFF. That is right.

Mr. KENNEDY. Did he tell you about what success he had had in the past with his companies?

Mr. GRAFF. He guaranteed us nothing. I mean, he said—

Mr. KENNEDY. Did he tell you that 60 percent—

Mr. GRAFF. It seems to me that that was the figure he used, that roughly 60 percent of the people that he represented were not unionized; the other 40 percent were. Of course, we questioned at great length whether or not his way of doing business was legal or not, and he assured us that it was, or else we would not have retained him.

Mr. KENNEDY. Subsequently, were arrangements made to shift the organizational drive of 299 up to your local in Flint?

Mr. GRAFF. That is right.

Mr. KENNEDY. Did he speak to you about that at all?

Mr. GRAFF. He mentioned the fact that he imagined that it would be shifted up to Flint.

Mr. KENNEDY. And that was done?

Mr. GRAFF. That was accomplished.

Mr. KENNEDY. From 299 to local 332, in Flint, Mich.?

Mr. GRAFF. Right.

Mr. KENNEDY. Did you receive a letter informing you that now the organizational drive would be handled by 322?

Mr. GRAFF. Right, on April 22.

Mr. KENNEDY. And that letter was signed by Frank Kierdorf?

Mr. GRAFF. Right.

The CHAIRMAN. I present to you a photostatic copy of the letter to which you refer and ask you to identify it, please.

(Document handed to witness.)

Mr. GRAFF. Yes; that is the letter.

The CHAIRMAN. That may be made exhibit No. 46.

(The document referred to was marked "Exhibit No. 46" for reference and will be found in the appendix on pp. 6585-6586.)

Mr. KENNEDY. This was shortly after you had the conversation with Mr. Kamenow and had agreed to retain him?

Mr. GRAFF. Right.

Mr. KENNEDY. And then you received the letter?

Mr. GRAFF. Right. That was April 24, I believe.

Mr. KENNEDY. Did you ever hear from the union after that?

Mr. GRAFF. Not directly. We wrote the union a letter 2 days later at the suggestion of Mr. Kamenow, and said:

Please be advised that we have turned this matter over to our labor counselors, who will get in touch with you shortly.

That is the last correspondence that we had with the union.

Mr. KENNEDY. Mr. Kamenow suggested you write that letter to Mr. Kierdorf?

Mr. GRAFF. Right.

Mr. KENNEDY. And you never heard from the union again?

Mr. GRAFF. No.

Mr. KENNEDY. Your employees were not organized, is that right?

Mr. GRAFF. That is right.

Mr. KENNEDY. Did Mr. Kamenow contact you afterward regarding the money for the entertainment? Did he tell you anything about how it was to be used?

Mr. GRAFF. Well, I think it was in July of that year, he called and he said that he needed to buy some tickets for a convention for some of the fellows, for Seattle, as I recall, and wanted to know if it was all right if it was billed to us on our statement. I said it would be perfectly all right as long as the fee didn't amount to more than what we had originally agreed on in April. In August he billed us for the—

Mr. KENNEDY. This is 1954 still?

Mr. GRAFF. Right. That was June 30 he billed us \$1,644.13, which we paid.

Mr. KENNEDY. And that was for six of these union officials and their families to Seattle?

Mr. GRAFF. As I recall; yes.

Mr. KENNEDY. That was 1954?

Mr. GRAFF. Right.

Mr. KENNEDY. In 1955, did he approach you again?

Mr. GRAFF. Well, yes; that is right; in April of 1955.

Mr. KENNEDY. What did he say at that time?

Mr. GRAFF. Well, we could have dropped him or we could have retained him. It was strictly up to us. There was no coercion on his part. We decided to retain him on the basis of \$3,000 that year. It was paid on the basis of \$100 a month plus the, roughly, \$1,800.

Mr. KENNEDY. For entertainment?

Mr. GRAFF. For entertainment, which was broken down in 4 different payments over 4 different months.

Mr. KENNEDY. The \$1,800 which you were paying for entertainment was broken down in 4 payments?

Mr. GRAFF. Yes.

Mr. KENNEDY. How was that?

Mr. GRAFF. July, \$500; August, \$500; September, \$500; and October, \$300.

Mr. KENNEDY. Did he tell you how he was going to use that money?

Mr. GRAFF. No; he didn't.

Mr. KENNEDY. Did he tell you that he wanted to take some of the boys on a fishing trip to Canada?

Mr. GRAFF. He may have.

The CHAIRMAN. On the \$1,800 and this \$1,600, and other expenses, was a bill submitted that was itemized showing to whom the money was paid?

Mr. GRAFF. No; there was not.

The CHAIRMAN. And who was entertained and at what cost at a given time?

Mr. GRAFF. No. The way that they billed us was on a regular statement like this [indicating].

The CHAIRMAN. Just a blanket charge?

Mr. GRAFF. Disbursements for the month of May 1954, \$18.62. As I said before, on the June 30 statement, retainer for the month of July was \$250, disbursements for the month of June \$1,644.13.

The CHAIRMAN. In other words, you didn't know what the money was going for?

Mr. GRAFF. That is right.

Mr. KENNEDY. Yes; he did know. They told him.

Mr. GRAFF. In June of 1954?

The CHAIRMAN. Yes.

Mr. GRAFF. Those were for the airline tickets to Seattle.

The CHAIRMAN. I am talking about the entertainment money. What did they tell you that it was going for?

Mr. GRAFF. I don't recall. In fact, as I said before, we made the deal with them at the beginning of the year, and, whenever he called and said he had some disbursements for the month, I said it was perfectly all right, as long as it didn't amount to more than what our agreement was for the total charge for the year.

Mr. KENNEDY. You filled out an affidavit and stated, "In the summer of 1955, he asked me to pay for a fishing trip to Canada for the union officials and also for some other entertainment for him." So, in answer to the chairman's question, you knew at that time or you were told at that time that the money in 1955 was to be used to take these union officials on a trip to Canada and for other entertainment; is that right?

Mr. GRAFF. Right.

The CHAIRMAN. That isn't the only entertainment that you provided, was it? That wasn't the only bill for entertainment, the trip to Canada, was it?

Mr. GRAFF. Well, as I said, the total fee was \$1,800. How he used it, I don't know. Other than as I said in my affidavit, as I recall, he mentioned something about going on a fishing trip. But whom he entertained or whom he took, I don't know. He billed me for it.

The CHAIRMAN. I submit to you here a series of eight bills charged against your firm by the Labor Relations Associates. I ask you to examine them, and state if you identify them as being photostatic copies of the original bills submitted both for fees and for disbursements.

(Document handed to witness.)

Mr. GRAFF. Yes; those are photostatic copies.

The CHAIRMAN. They may be made exhibits 47-A, B, C, D, and so forth.

(The documents referred to were marked "Exhibits 47-A, B, C, D, E, F, G, H" for reference, and will be found in the appendix on pp. 6587-6594.)

Mr. KENNEDY. Here are the checks, Mr. Chairman.

The CHAIRMAN. I submit to you here a series of photostatic copies of eight checks which, I assume, are payments for those bills. Will you please examine those photostatic copies and state if you identify them?

(Documents handed witness.)

Mr. GRAFF. These are the checks for those bills.

The CHAIRMAN. They may be marked exhibits 48-A, B, C, D, and so forth, in order of their date.

(The documents referred to were marked "Exhibits 48-A, B, C, D, E, F, G, H" for reference, and will be found in the appendix on pp. 6595-6602.)

Mr. KENNEDY. In December 1945, did he approach you for other money?

Mr. GRAFF. That is right. He said he wanted to buy Christmas presents for people who, I assumed, were union officials.

The CHAIRMAN. Mr. Kamenow?

Mr. GRAFF. Yes.

Mr. KENNEDY. He wanted you to donate two or three hundred dollars for union officials?

Mr. GRAFF. Right.

Mr. KENNEDY. Did you give him \$150 for those purchases?

Mr. GRAFF. Right.

Mr. KENNEDY. In 1956, were you billed for another \$1,800?

Mr. GRAFF. Right.

Mr. KENNEDY. How was that \$1,800 used?

Mr. GRAFF. It was the same in April 1955. We negotiated with him again——

Mr. KENNEDY. April 1955 or April 1956?

Mr. GRAFF. April 1955, for the ensuing 12 months, which would bring it to April of 1956.

Mr. KENNEDY. I see.

Mr. GRAFF. A monthly retainer was reduced to \$75 a month and the entertainment fee remained the same.

Mr. KENNEDY. \$1,800?

Mr. GRAFF. \$1,800. That was broken down: \$450 in May; June, July, and August, \$725.97; \$1.21 in October, and \$700 in January of 1956.

Mr. KENNEDY. Has he had many conferences with you regarding your labor troubles since the first time you met with him?

Mr. GRAFF. I would say not too many.

Mr. KENNEDY. How many do you think? Three or four times a year?

Mr. GRAFF. It would run more than that. He is up in Flint, I imagine, about once a week. He doesn't stop to see us every time, but, I would say, on the average of once a month or more often.

Mr. KENNEDY. How long do you talk to him?

Mr. GRAFF. Sometimes a half hour, or maybe 20 minutes. Of course, there are times that we have called him on the telephone, when we wanted to make some pay changes in our salesmen's wages. We conferred with him and he helped us decide which way to go.

Mr. KENNEDY. But the teamsters never organized your employees?

Mr. GRAFF. They did not.

Mr. KENNEDY. And you haven't seen them? They haven't put a picket line around since that time?

Mr. GRAFF. No, sir.

The CHAIRMAN. Do you mean in all of this time, with all of this expense, there has been no drive on to organize your salesmen?

Mr. GRAFF. That is right.

The CHAIRMAN. In other words, you bought peace for this price, is that it, labor peace?

Mr. GRAFF. Well, as I originally said, when we hired Labor Relations Associates, we investigated them through people that we knew, and we found that they had handled reputable firms locally and nationally. We didn't have any idea whether ours would go to an election. We had no idea as to what we could do, what we couldn't do. As a result, we retained them on a basis of being able to give us advice and so on.

The CHAIRMAN. I wanted to get this in the record, if you can give it to us. When did you first retain them?

Mr. GRAFF. In April of 1954.

The CHAIRMAN. How long did their services continue?

Mr. GRAFF. Well, we renegotiated with them each year.

The CHAIRMAN. I know, but their services have been continuous since?

Mr. GRAFF. Yes. Although Mr. Kamenow separated himself from LRA—when was it, the 1st of August?

Mr. KENNEDY. June 1.

The CHAIRMAN. This year?

Mr. GRAFF. This year.

The CHAIRMAN. After these hearings?

Mr. GRAFF. Right. We retained Mr. Kamenow as an individual.

The CHAIRMAN. You retain him now as an individual?

Mr. GRAFF. Well, Personnel Relations Advisors is the name of it.

The CHAIRMAN. He is retained now as an individual?

Mr. GRAFF. Right.

The CHAIRMAN. Since April 1954, how much have you paid out to LRA in fees, and what is the total you have paid out of them in disbursements?

Mr. GRAFF. Well, let's see—

Mr. KENNEDY. We have the figures by years. We can add it up.

The CHAIRMAN. I wanted to get it into the record at this point. Maybe the staff member can place it in, if he made the check. Have you been sworn? Just a moment.

Will you be sworn, please? Do you so solemnly swear the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LANGENBACHER. I do.

TESTIMONY OF IRWIN LANGENBACHER

The CHAIRMAN. State your name, place of residence, and business or occupation.

Mr. LANGENBACHER. My name is Erwin Langenbacher, assistant counsel, Senate Select Committee To Investigate Improper Activities in the Labor-Management Field. My residence is Hyattsville, Md.

The CHAIRMAN. Have you made a compilation of these expenditures by Otto P. Graff, Inc., beginning from April 1, 1954, until June 1957?

Mr. LANGENBACHER. Yes. Through December of 1956.

The CHAIRMAN. Through December of 1956? Have you the year-by-year amounts of fees and expenditures?

Mr. LANGENBACHER. I have.

The CHAIRMAN. And disbursements and the total of each?

Mr. LANGENBACHER. I have; yes, sir.

The CHAIRMAN. What is the year-by-year expenditures?

Mr. LANGENBACHER. For the last half of 1954, for retainer, it is \$150, and for disbursements it is \$1,649.70.

For the year 1955, the retainer is \$1,880, and the disbursements are \$1,950.

For the year 1956, the retainer is \$975, and disbursements are \$1,807.19.

The CHAIRMAN. All right. That doesn't bring it down to date. What are the totals for that period of time, the total fees?

Mr. LANGENBACHER. I will have to add them up.

The total retainer is \$4,525.

The CHAIRMAN. And the total disbursements? \$5,306.88; am I correct?

Mr. LANGENBACHER. No, sir. It is more than that. The disbursements for the 3 years, adding dollars only, is \$5,406.

The CHAIRMAN. I have 88 cents on that.

Mr. LANGENBACHER. I haven't written in the cents.

The CHAIRMAN. The two of them total how much?

Mr. GRAFF. \$9,931, I believe.

Mr. LANGENBACHER. That is correct.

The CHAIRMAN. \$9,931?

Mr. GRAFF. Yes.

TESTIMONY OF MAX H. GRAFF—Resumed

The CHAIRMAN. Mr. Graff, this shows that you paid out in fees for that period of time \$4,525, and you paid out for disbursements \$5,406. Those are round figures. You paid out nearly \$1,000 more in disbursements, around \$900 more for disbursements than you paid in fees; is that right?

Mr. GRAFF. Right.

The CHAIRMAN. Do you know to whom that money went, that disbursement?

Mr. GRAFF. No; I do not.

The CHAIRMAN. Well, you said part of it was to entertain union officials.

Mr. GRAFF. That is right.

The CHAIRMAN. The point I want to raise here is this: Union officials were profiting out of this deal. The union workingman was not getting anything out of it. Isn't that true?

Mr. GRAFF. That is right.

The CHAIRMAN. All right.

Senator MUNDT. Mr. Graff, what do you suppose would have happened had you not employed Mr. Kamenow or somebody else in this field of endeavor, who had conducted himself along similar lines? Suppose he had not made that trip to Detroit.

Mr. GRAFF. Well, as I say originally, we were confronted with a field that is pretty intricate, and certainly has a lot of ramifications which we are certainly not skilled in. When we are presented with a problem, I think that anybody in our shoes would have done the same thing, and that is to try to seek advice as to what to do. That is the reason that I originally went down to talk with the attorneys who were handling the Ford dealers' problems in Detroit, to find out from them whether or not we could retain them, and knowing that they were experienced in the field of labor relations. What would have happened if I had retained them, or if they had been available, I don't know.

Senator MUNDT. What would have happened if you had retained nobody? This cost you something over \$3,000 a year.

Mr. GRAFF. I don't know.

Senator MUNDT. Do you think you got your money's worth? Did you get value received?

Mr. GRAFF. I think I would have done the same thing again; yes.

Senator MUNDT. Would the alternative, do you think, have been more expensive to your company?

Mr. GRAFF. That I don't know; that is hard to say.

Senator MUNDT. You must have added it up. You were a businessman, and you engaged in \$3,500 a year expenditures. You must have determined whether it was worth the expense.

Mr. GRAFF. We retain, for example, auditors who spend an hour or two a month in our place of business. They are also available for consultant purposes. We had not had any previous labor difficulties for a good many years, and when this problem came up, naturally, we were seeking counsel.

Senator MUNDT. How many employees do you have?

Mr. GRAFF. About 90, altogether. The ones involved in this situation were 10 new-car salesmen.

The CHAIRMAN. Only 10?

Mr. GRAFF. Yes, sir.

Senator MUNDT. You could have given them \$300 a year extra, and it would not cost you any more, with just 10 people involved. That would have been \$3,000 a year.

Mr. GRAFF. Of course, you are probably familiar with the labor problem for all small business today, since you are conducting these hearings as you are. We are in the same position, realizing that the unions are making attempts to organize all retail merchants, stores, and so on, and they have been doing it, and they have become more active in Flint in the last 5 or 7 to 8 years. I think it is advisable for

anybody in business today, with that fact in mind, to retain somebody who can keep you advised and can help you in case you do need help.

Senator MUNDT. Well, our committee is, of course, very interested primarily in two things: No. 1 is what, if any, new legislation is required to protect the workingman in and out of the union, and to protect his employer, and to protect the general public; No. 2, we are interested in what improper practices may be prevailing in this country now, or may have prevailed in the relatively recent past which should be eradicated in the future by legislation.

Now, in this particular case, the questions arise: No. 1: Did you and the Graff Motor Co. engage in any improper practices? No. 2: Did Labor Relations Associates as an intermediary engage in any improper practices? And, No. 3: Did the union officials who were supposed to be representing the needs and wants and desires of the men engage in any improper practices?

If so, what legislation is required to stop that kind of thing from happening? Also, what legislation is required to create an environment of employee and employer relationships which make the necessity or desirability or need for hiring outside associates apparent to one party or to the other?

Now, speaking as you can only for yourself, did you feel or do you now feel that you did anything which was improper as far as your organization was concerned? Did you have a sense of guilt or a sense of wrongdoing, or do you now have such a feeling?

Mr. GRAFF. I don't believe so.

Senator MUNDT. You feel you were forced into this circumstance because of your inability as a small-business man to meet a labor situation in the city of Flint; is that right?

Mr. GRAFF. Well, as I said before, a small-business man needs advisers from his attorneys in legal matters and he needs advisers as far as his labor problems are concerned, and we have retained Kamenow on that basis.

Senator MUNDT. In other words, you hired labor counsel for yourself as you would hire lawyers if somebody brought a suit against you? It is out of your field of comprehension, and so you turned to a labor adviser for assistance?

Mr. GRAFF. That is right, and I think that it is the way it was.

Senator MUNDT. Speaking from the standpoint of Labor Relations associates, did you have a feeling that what they were doing was proper or improper? Were they engaging in improper practices insofar as you knew?

Mr. GRAFF. Well, as I said, before we retained them I checked with people in Flint that had retained them, and they mentioned names such as the J. L. Hudson Co. in Detroit, which is one of the largest department stores in the world, and Sears, Roebuck, which is certainly one of the biggest companies in the retail business. Having been retained by a good many others in Flint who are reputable people, I assumed, naturally, that it was a company that was operating strictly above-board, because, after all, those large companies certainly have legal advice that would tell them whether or not Labor Relations Associates was doing things illegally or not.

Second, when I talked with Kamenow, that is the first thing I said to him. I said, "Look, if there is anything that is not proper or not

legal, that is an under-the-table situation, I want no part of it." I said, "We don't do business that way."

Senator MUNDT. When he replied or told you that part of the money was going to entertain labor officials and pay their expenses to conventions, or to take a fishing trip to Canada, did that sound to you like being a proper approach to make?

Mr. GRAFF. Well, as I said, who am I to dispute what J. L. Hudson Co. does, and what, recently it turns up, that the Mennen Co. has done. Frankly, when I want to sell an automobile, if I have to take a fellow out to play golf or something like that, and buy his dinner, certainly I am going to do it. As to whether it is legal or illegal, I don't know.

Senator MUNDT. Let me ask you about the union officials. Do you think that they were engaging in proper or improper practices when they were receiving these gifts or these concessions, or these considerations, and thereby failing to press what were the demands or desires or the needs of their workers?

Mr. GRAFF. That I don't know.

Senator MUNDT. I think there is a curious situation some place, is there not, Mr. Graff, when a businessman just selling Fords has to pay 3,000 bucks a year to be able to continue to sell Fords? There is something wrong someplace; is there not?

Mr. GRAFF. By the same token, we spend probably nearly that much for legal advice and help.

Senator MUNDT. You are perfectly happy with this kind of circumstance?

Mr. GRAFF. I think so.

Senator MUNDT. A man has to pay \$3,000 to maintain happy relations?

Mr. GRAFF. If there is trouble with our mechanics or anybody else, I think so. Mr. Kamenow is available, and, of course, they handle that problem, and it would be turned over to him.

Senator MUNDT. Did your own employees know you were hiring Labor Relations Associates?

Mr. GRAFF. That I don't know.

Senator MUNDT. Mr. Kierdorf did, because you wrote him a letter.

Mr. GRAFF. Yes; of course I didn't mention them in the letter. I just said we turned it over to our labor counsel.

Senator MUNDT. You did not mention who it was?

Mr. GRAFF. No.

The CHAIRMAN. What is your volume of business annually?

Mr. GRAFF. We will sell about 1,000 new cars a year, and around 1,500 used cars. Our parts sales will run about \$400,000 a year.

The CHAIRMAN. Give me the gross.

Mr. GRAFF. The gross sales?

The CHAIRMAN. Your gross business.

Mr. GRAFF. The gross business will probably run \$4 million a year. It will fluctuate, depending upon the market, of course, and 1955 was up, and 1956 was down.

The CHAIRMAN. I am compelled to observe that I see nothing wrong in seeking counsel and employing legal counsel, and employing even experts in labor-management relations, and those things. I think that we have some more, but it looks to me like we are developing a pattern of what amounts to a payoff to union officials to have them disregard the rights of the workingmen or to be reluctant, if not to

refuse, to press any drive for unionization. You did not even make a contract with them, did you, a labor contract?

Mr. GRAFF. No.

The CHAIRMAN. It is a practice that I cannot give my approval to. It is too apparent on the face of it what they are employed to do. You could go into it innocently, and I can appreciate that. But I do not think that you could remain in it very long knowing how this money is being handled and be completely innocent in it, and neither do I think that the practice or general activities of Mr. Kamenow or the LRA, or the union officials is conduct that can be approved by good conscience or condoned. I just think it is reprehensible that these practices are going on.

Senator MUNDT. What is your average rate of turnover among your employees? Is it greater or less than the average garage?

Mr. GRAFF. It is considerably less.

Senator MUNDT. In other words, they are apparently reasonably happy with your conditions of employment?

Mr. GRAFF. That is right. Our wages are average wages for our salesmen. For our mechanics and parts fellows, it will run about 15 percent higher than the average. Besides, we have other things.

Senator MUNDT. As an automobile consumer and as a purchaser, I hate to see a situation like this prevail, because I am confident I have to pay the tax when I buy the car. That is where you get your money. That is \$3,000 there a year that has to come off the consumers of automobiles and purchasers of cars. It seems to me that some place in the labor picture there should be a better way of protecting the rights of the workingmen, and the opportunities of management and ownership, than to have to hire a third party of this kind to confer gifts on labor officials. I certainly would think that there is something wrong with the labor officials that take these gratuities. They are either in a shakedown business, just shaking people down, or else they are failing to represent adequately the men who are members of the union.

Now, if the employees are happy and satisfied and not on strike and there is no great turnover, then it would look as if this sets the stage for a great shakedown business so that any labor official can just sort of rattle the skeleton in the closet, and Mr. Kamenow can come along to you and say, "You pay me \$3,000 a year and I will take that skeleton away." This thing can grow to be a pretty nasty situation, it seems to me, if something is not done. I do not know what the answer is.

Mr. KENNEDY. I have just a couple of questions, in connection with the statement of Senator McClellan. As to the money that was paid in 1955 and 1956, for instance, this \$1,800 which was for the entertainment of union officials, you did not have a union in your company at that time, did you? That is \$2,000, and you didn't have a union?

Mr. GRAFF. No.

Mr. KENNEDY. This was just to entertain union officials and had nothing to do with your company?

Mr. GRAFF. Well, as I said before, when we negotiated with them, I made it on a yearly basis from April to April, and he said, "Well, it will cost you \$100 a month, plus \$1,800, which is \$3,000."

Mr. KENNEDY. That was the first year?

Mr. GRAFF. I knew that was what it was going to cost me for a year.

MR. KENNEDY. Then the second year when he came around, you were again paying out \$2,000 to entertain union officials, when they had nothing to do with your plant?

MR. GRAFF. Well, of course, I looked on it as a basis of what it cost me for the year, and with the advent of a great deal of effort being put forth to unionize the retail clerks, it looked to me like it was a good investment to keep informed as to what to do and what not to do, and if something happened, then you have an organization which you can turn to.

MR. KENNEDY. And this payment was worth while to keep you from being unionized?

MR. GRAFF. Well, you can turn it around that way.

MR. KENNEDY. That is not turning it around very far. You were paying \$1,800 or \$2,000——

MR. GRAFF. I paid Labor Relations Associates \$3,000.

MR. KENNEDY. You can't blame this on Labor Relations Associates. You are a grownup man, and you knew you were paying \$2,000 to entertain union officials when you didn't have any union in your plant to entertain. What other reason would there be, other than to keep your plant or company from being unionized? Don't say "Mr. Kame-now told me," and you didn't know what to do. That is the reason. You paid the money to keep the plant from being organized.

MR. GRAFF. Well, I don't believe I would put it exactly like that, Mr. Kennedy, and it is a fact that as I said before, I don't know. Maybe——

MR. KENNEDY. You paid \$2,000.

MR. GRAFF. Maybe there will be trouble in your parts department, and maybe it will come out in your service department.

MR. KENNEDY. Then let us assume that for \$75 or \$100 you needed that legitimate advice, but \$2,000 of it you paid out each year to entertain union officials, knowing it was going for that purpose.

MR. GRAFF. Yes.

MR. KENNEDY. Isn't that right?

MR. GRAFF. That is right.

MR. KENNEDY. Then, it was obviously to keep the plant from being unionized, and to entertain these people and keep these people happy so that they wouldn't come near you and organize your plant. I don't think it is funny, myself.

MR. GRAFF. Well, I don't either. It is a serious problem with us, believe me, that are in business.

MR. KENNEDY. But isn't that the reason you paid the money?

MR. GRAFF. As I said before, we paid the money on a yearly basis, to be situated so that if it comes up again——

THE CHAIRMAN. Whether you paid it on a yearly basis or daily basis, it makes no difference as to the purpose. What was the purpose? The purpose was to keep your plant from being unionized. Is that not a cold fact?

MR. GRAFF. No, as I said before, I don't feel that way about it. The inference might be there.

SENATOR MUNDT. Would not the question be whether Mr. Graff was paying this money to avert union trouble, rather than to prevent being unionized? It seems to me that this letter states, unless it is false on the face of it, that you had some union people in your plant, because it said they were transferring the membership from new employees to

others. I do not think that the question is stated quite correctly. What you were paying was to avert union trouble.

Mr. GRAFF. That is right.

Senator MUNDT. Whether it was unionized or not unionized, you were trying to avert trouble with labor relationships caused by the union?

Mr. GRAFF. That is right.

The CHAIRMAN. All right.

Mr. KENNEDY. And the \$2,000 to entertain the officials was used for that purpose?

Mr. GRAFF. That is right.

Mr. KENNEDY. To accomplish that?

Mr. GRAFF. Yes, sir.

The CHAIRMAN. I cannot see the very thin line. If you pay union officials \$2,000 to avert trouble, using that word, I do not see where the workingman, whether he is unionized or not, benefits from such a transaction. It seems to me the only two who benefit from it are the union officials who are taking the money for their own personal pleasures and benefit, and the company that pays them. The poor workingman, whether he is a union man or not, is benefiting nothing from it. Do you agree with that?

Mr. GRAFF. Yes, sir.

The CHAIRMAN. Thank you.

Is there anything further?

Mr. KENNEDY. That is all.

The CHAIRMAN. Thank you very much.

Mr. GRAFF. You are welcome.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Chester Schagane.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SCHAGANE. I do.

TESTIMONY OF CHESTER SCHAGANE

The CHAIRMAN. State your name and your place of residence, your business or occupation.

Mr. SCHAGANE. Chester W. Schagane, 1120 Woodside Drive, a partner in the Advance Electrical Supply Co., also of Flint.

The CHAIRMAN. You waive counsel, do you?

Mr. SCHAGANE. Yes, sir.

Mr. KENNEDY. Now, your name is Chester Schagane, S-c-h-a-g-a-n-e; is that how you spell it?

Mr. SCHAGANE. Yes, sir.

Mr. KENNEDY. You are a partner in the Advance Electrical Supply Co.?

Mr. SCHAGANE. That is correct.

Mr. KENNEDY. Which is a wholesale distributor of Flint, Mich.; is that correct?

Mr. SCHAGANE. That is right.

Mr. KENNEDY. Then in the fall of 1954 you were picketed by certain teamster pickets; is that right?

Mr. SCHAGANE. That is correct.

MR. KENNEDY. Now, how many employees did you have at that time?

MR. SCHAGANE. Approximately 24.

MR. KENNEDY. Approximately 24 employees?

MR. SCHAGANE. Yes, sir.

MR. KENNEDY. Were the teamsters interested in signing all 24 employees, or did you know?

MR. SCHAGANE. I don't know what they were interested in.

MR. KENNEDY. Had they notified you prior to the time they began picketing?

MR. SCHAGANE. No.

MR. KENNEDY. Just pickets arrived; is that all?

MR. SCHAGANE. That is right.

MR. KENNEDY. Were they pickets from Teamster Local 332 of Flint?

MR. SCHAGANE. I don't know the number, but they were teamsters.

MR. KENNEDY. And you had never heard about it before?

MR. SCHAGANE. No, sir.

MR. KENNEDY. So what steps did you take when you found that there were pickets outside this business? What did you do?

MR. SCHAGANE. We consulted with our attorney, to see if we could get the pickets removed.

MR. KENNEDY. To see if you could get the pickets removed?

MR. SCHAGANE. Yes, sir.

MR. KENNEDY. What did he say?

MR. SCHAGANE. And also what the procedure was in a case like this. He told us about injunctions and one thing and another, and approximately how long it would take, and what the possibility of a settlement was, and it looked to us like it was going to stretch over a period of months and the idea was that we get relief at that time.

MR. KENNEDY. Can you talk any louder?

MR. SCHAGANE. Yes.

MR. KENNEDY. And he told you how long it would take?

MR. SCHAGANE. Approximately.

MR. KENNEDY. How long would it take to get the pickets removed and what did you decide to do?

MR. SCHAGANE. Then my partner heard of Labor Relations Associates.

MR. KENNEDY. Where did he hear about them?

MR. SCHAGANE. He heard from several local businessmen.

MR. KENNEDY. Did he hear that they could achieve certain desired results with the teamsters union?

MR. SCHAGANE. He heard that they might be able to help us with our problem.

MR. KENNEDY. So did you make arrangements to contact a representative of that firm?

MR. SCHAGANE. Yes, sir, and we drove to Detroit and saw Mr. Kamenow.

MR. KENNEDY. Had you heard specifically Mr. Kamenow had been very successful with the teamsters?

MR. SCHAGANE. Yes.

MR. KENNEDY. Did Mr. Kamenow inform you of that when you had the conference with him, that he had been very successful with the teamsters?

Mr. SCHAGANE. I believe that is correct.

Mr. KENNEDY. So you set up a meeting with him back in the plant, and you went down to Detroit and you met with him there, and then you set up a meeting with him in Flint, did you not?

Mr. SCHAGANE. That is correct.

Mr. KENNEDY. Did you call in any other company at the time you met with him in Flint?

Mr. SCHAGANE. Yes, the rumors were around that Royalite Electric Co. were going to be next to be picketed.

Mr. KENNEDY. So you called them in?

Mr. SCHAGANE. He called him in and asked if they had heard anything, and they wanted to sit down and talk about it, and at that time we set up a meeting with Mr. Kamenow.

Mr. KENNEDY. Representatives of both companies met with him?

Mr. SCHAGANE. Yes, sir, both were there.

Mr. KENNEDY. Did you discuss with him at that time what fee would be charged by Mr. Kamenow?

Mr. SCHAGANE. Yes.

Mr. KENNEDY. What did he tell you?

Mr. SCHAGANE. He told us it was going to cost \$100 a month, each company, and if he was successful in his negotiations with the teamsters union, it would cost another \$2,000 each.

Mr. KENNEDY. If he could get the pickets removed?

Mr. SCHAGANE. And any other negotiations, primarily that the pickets would be removed as soon as possible.

Mr. KENNEDY. Did he tell you at that time what the \$2,000 would be for?

Mr. SCHAGANE. I believe he did.

Mr. KENNEDY. What did he tell you?

Mr. SCHAGANE. He needed that money to take the boys to the Rose Bowl game.

Mr. KENNEDY. Shortly after the conference, or within 3 or 4 days after the conference with Mr. Kamenow, did the picketing end?

Mr. SCHAGANE. There were some telephone conversations and one thing and another after the meeting, but shortly after that the pickets were removed.

Mr. KENNEDY. Within about 3 or 4 days?

Mr. SCHAGANE. Yes, sir.

Mr. KENNEDY. Did you then enter into some negotiations with Kamenow?

Mr. SCHAGANE. That is correct. He contacted the teamsters local and then came back to us with the proposition.

Mr. KENNEDY. What was his proposition, so that you could end any problems or trouble with the union?

Mr. SCHAGANE. That they wanted union drivers on our trucks, and they can do it 1 or 2 ways. We could hire our own drivers and they, in turn, would belong to the union, or we could contract our trucking out to some union truck company.

Mr. KENNEDY. Did they suggest what company to make your contract with?

Mr. SCHAGANE. At that time, Mr. Kamenow went in partnership with William Hanson.

Mr. KENNEDY. How do you spell his name?

Mr. SCHAGANE. I have it spelled here.

Mr. KENNEDY. H-a-n-s-o-n of the Hanson Delivery Service?

Mr. SCHAGANE. That is correct.

Mr. KENNEDY. And Mr. Kamenow went into business with him?

Mr. SCHAGANE. That is right.

Mr. KENNEDY. What did Mr. Kamenow come back and tell you as to what arrangements you should make to avoid union difficulty, as far as that Hanson Delivery Service was concerned?

Mr. SCHAGANE. He asked us if we had any objection to using his firm.

Mr. KENNEDY. That was a business he was going in himself, Mr. Kamenow, that is?

Mr. SCHAGANE. That is right.

Mr. KENNEDY. So, did you agree to that?

Mr. SCHAGANE. As long as the price was right, we said. We hired it by the hour and if the price was fair we had no objections to doing business with his trucking firm.

Mr. KENNEDY. Did you have to make any arrangements as far as selling him a truck?

Mr. SCHAGANE. When we decided to contract our trucking out, that left us with 2 trucks to get rid of. He needed a truck, and he bought it from us. The other truck, I guess, we sold to a used car lot.

Senator MUNDT. Was his trucking company a union trucking company?

Mr. SCHAGANE. Yes, sir.

Mr. KENNEDY. So the arrangements were made that your people that had been handling your trucking were not to handle it any longer, and that you were to make a contract with Mr. George Kamenow, and a trucking company in which he had an interest, selling one of your trucks, and you would have no more union difficulty; is that right?

Mr. SCHAGANE. That is correct.

Mr. KENNEDY. As well as paying the \$100 a month, and the \$2,000 to take the union officials to the Rose Bowl game?

Mr. SCHAGANE. That is correct.

Mr. KENNEDY. And you agreed to all of that?

Mr. SCHAGANE. That is right.

Mr. KENNEDY. Did you give him the \$2,000 in December of 1954?

Mr. SCHAGANE. I believe that is correct.

Mr. KENNEDY. That check was made out personally to George Kamenow; is that right?

Mr. SCHAGANE. Yes.

The CHAIRMAN. I hand you both the original and photostatic copy for your comparison, and will you identify the original and also the photostatic copy as such?

Mr. SCHAGANE. They are correct.

The CHAIRMAN. The photostatic copy may be made exhibit No. 49 and the original can be retained until returned to the witness.

(Document referred to was marked "Exhibit 49," for reference and will be found in the appendix on p. 6603.)

The CHAIRMAN. What was this money actually paid for? What was this \$2,000 to be used for?

Mr. SCHAGANE. He said he wanted to take the officials to the Rose Bowl game.

The CHAIRMAN. The officials of the union?

Mr. SCHAGANE. Yes, sir.

The CHAIRMAN. That he was dealing with?

Mr. SCHAGANE. Yes, sir.

The CHAIRMAN. Can you conceive that the workingmen whom the union officials represented derived any benefit at all from this \$2,000?

Mr. SCHAGANE. No.

Senator MUNDT. Was the Royalite Co. a subsidiary of yours or a competitor?

Mr. SCHAGANE. A competitor.

Senator MUNDT. You were the two main companies, were you, in Flint, in this particular line of business?

Mr. SCHAGANE. Not necessarily.

Senator MUNDT. How come the two of you were there?

Mr. SCHAGANE. We were, I think, the only two independents.

Senator MUNDT. You were the 2 independents, you were 2 of the same category?

Mr. SCHAGANE. Yes.

Senator MUNDT. So it was obvious that if one of you were treated one way, and the other one treated some way else, somebody could get a competitive advantage?

Mr. SCHAGANE. It is possible.

Senator MUNDT. So you were driven to work together?

Mr. SCHAGANE. I don't say we were driven to work together. It sounded like a good idea.

Senator MUNDT. You thought this was economically advisable, that you work together? Let's put it that way.

Mr. SCHAGANE. Yes.

The CHAIRMAN. Do you know if \$1 of this money ever got to the Rose Bowl game or paid any expense for anyone to go?

Mr. SCHAGANE. No.

The CHAIRMAN. You have no information about that?

Mr. SCHAGANE. No.

Senator MUNDT. Have you any assurance that Mr. Kamenow didn't keep the \$2,000 himself?

Mr. SCHAGANE. I have not.

Senator MUNDT. All you do know is that the picket line was taken off?

Mr. SCHAGANE. That is right.

Senator MUNDT. That was your main interest?

Mr. SCHAGANE. Indeed.

The CHAIRMAN. As I understand, each company paid \$2,000.

Mr. SCHAGANE. That is my understanding.

The CHAIRMAN. You know you did?

Mr. SCHAGANE. That is correct.

The CHAIRMAN. You know your pickets were taken off?

Mr. SCHAGANE. That is correct.

The CHAIRMAN. And none were put on the other business?

Mr. SCHAGANE. Not to my knowledge.

Mr. KENNEDY. Did he approach you again in December 1955 for another \$2,000?

Mr. SCHAGANE. He did.

Mr. KENNEDY. Did you tell him at that time that the \$2,000 had been to take the pickets off, and that had been achieved, and you didn't want to pay him again?

Mr. SCHAGANE. That is correct.

The CHAIRMAN. Who were the officers of this teamster local?

Mr. SCHAGANE. I never saw them or heard from any of them. I don't know them at all.

The CHAIRMAN. I guess we have the record on that?

Mr. KENNEDY. It is Frank Kierdorf, the same local.

Did Mr. Kamenow come to see you very often to give you advice?

Mr. SCHAGANE. Whenever necessary.

Mr. KENNEDY. How many times a year?

Mr. SCHAGANE. Three or four times, perhaps.

Mr. KENNEDY. For how long did he see you when he came up?

Mr. SCHAGANE. From 5 minutes, perhaps, to a half hour.

Mr. KENNEDY. You are still retaining him; are you?

Mr. SCHAGANE. I am.

Mr. KENNEDY. How many employees of your company were involved in this matter?

Mr. SCHAGANE. As I remember, approximately five.

Mr. KENNEDY. Five employees?

Mr. SCHAGANE. Yes.

Mr. KENNEDY. And you thought it was worth while to pay \$2,000 to keep those five employees from belonging to the union?

Mr. SCHAGANE. No, that wasn't the idea at all. We had not been approached in any manner or form by the union officials. All we had was pickets.

Mr. KENNEDY. You could have signed up with the union or they could have voted to join the union; could they not?

Mr. SCHAGANE. If they had the opportunity.

Mr. KENNEDY. Were they interested in joining the union?

Mr. SCHAGANE. Not to my knowledge.

Mr. KENNEDY. What happened to those five employees? Are they still with you?

Mr. SCHAGANE. I wouldn't say they are all with us at the time.

Mr. KENNEDY. Were they all drivers?

Mr. SCHAGANE. No. There was a couple of drivers and, as I remember, three salesmen that were driving panel trucks and doing a little delivering while calling on customers.

Mr. KENNEDY. So you paid \$2,000 to have the pickets removed?

Mr. SCHAGANE. That is correct.

Mr. KENNEDY. It had nothing to do with union difficulties that you had with the union, but the \$2,000 was paid to have the pickets removed?

Mr. SCHAGANE. That and any other negotiations that were necessary to come.

Mr. KENNEDY. But the \$2,000 that was paid, and the original retainer that was paid, was paid to get the pickets removed from outside your plant? Is that right?

Mr. SCHAGANE. I would say primarily, but not entirely.

Senator MUNDT. How did the pickets get there in the first place? What were they picketing about?

Mr. SCHAGANE. I don't understand.

Senator MUNDT. Why were they there?

Mr. SCHAGANE. That is a good question. I don't know. They just appeared. We never heard from nothing, from no one.

Senator MUNDT. You just came out there one morning and there were the pickets?

Mr. SCHAGANE. That is correct.

Senator MUNDT. You had no preliminary discussion?

Mr. SCHAGANE. No, not before or after.

Senator MUNDT. That is a little bit hard to accept.

Mr. SCHAGANE. It is.

Senator MUNDT. You came down to work and here was a picket line?

Mr. SCHAGANE. That is right.

Senator MUNDT. What did they say on the picket line, "Unfair to organized labor"?

Mr. SCHAGANE. Something to that effect.

Senator MUNDT. And you had no discussions with any organizers at all?

Mr. SCHAGANE. None.

Senator MUNDT. None of your men had been met by a unionman?

Mr. SCHAGANE. No.

Senator MUNDT. But here they were?

Mr. SCHAGANE. That is right.

Senator MUNDT. And at that stage, you went to an attorney and said, "How much does it cost to get rid of a picket line by injunction and how long does it take," and so forth, and he said it was a long, slow process. So you went to this other outfit?

Mr. SCHAGANE. That is right.

Senator MUNDT. Would this be beyond the realm of possibility, that Mr. Kamenow had gone to his good friend Mr. Kierdorf, and said, "Look, Frank, old boy, there is an outfit by the name of Advance Electric Co. Why don't you put some pickets up there. I think I can shake them down for a couple of thousand bucks and then you take the pickets off again." Do you suppose that is the way they got there? Would that be possible?

Mr. SCHAGANE. Anything is possible.

Senator MUNDT. Can you think of any better reason why they would be there? Why would they be there 1 day and 4 days later after they got the \$2,000 be gone, if there was no labor dispute? I am trying to figure out how these things start. You can explain how you stop them, but I want to know how they start. This is a pretty good deal. All they have to do is bring in a picket line, get a check, and away they go. There has been nobody hurt much. There were some people who complained before, but they don't complain afterward. Nobody gets much benefit, except to get rid of the picket line that you couldn't understand in the first place.

Either Mr. Kierdorf and Mr. Kamenow have \$2,000 to split between or for some of their friends to be shipped to the Rose Bowl game.

Mr. SCHAGANE. That is as it appears.

Senator MUNDT. There is no reason at all? There was no advance notice that the picket line was coming?

Mr. SCHAGANE. Absolutely not. There is always rumors floating around, of course.

Senator MUNDT. Did any of them make any more sense than the one I just injected?

Mr. SCHAGANE. No.

Senator MUNDT. Do you think my speculation is as plausible as any?

Mr. SCHAGANE. I presume it is as good as any, sir.

Senator MUNDT. Have you any idea of any kind of legislation Congress could enact that would make a racket like this less likely to occur?

Mr. SCHAGANE. Do you call organizational picketing legal? I am not an authority.

Senator MUNDT. It is hard to know, if they don't tell you why they are picketing, whether it is organizational picketing, or if they are picketing because you are using sweatshop labor. It is hard to tell, as long as they don't tell you. We are trying to create an economic environment in which employees and management can live together happily and share the fruits of private enterprise equitably without having this kind of a supercharge imposed on somebody, and creating a racket situation. While it may be within the law, it is certainly outside the pale of proper economic procedure.

Mr. SCHAGANE. I agree with you.

Senator MUNDT. Have you any suggestions for us?

Mr. SCHAGANE. I wish I did.

Senator MUNDT. Can you tell us how we can do something as Members of Congress?

Well, O. K.

Mr. KENNEDY. Did any of these five employees that you discussed join the union?

Mr. SCHAGANE. No.

Mr. KENNEDY. The union never came back to try to sign up these people?

Mr. SCHAGANE. No.

Mr. KENNEDY. But the \$2,000 was requested the following year; is that right?

Mr. SCHAGANE. That is right.

Mr. KENNEDY. And you refused that?

Mr. SCHAGANE. That is right.

Mr. KENNEDY. Because you said the \$2,000 was for the removal of the pickets and that wasn't going to continue; is that right?

Mr. SCHAGANE. That is correct.

Senator MUNDT. What happened then? Did the pickets come back?

Mr. SCHAGANE. No. Nothing happened.

Senator MUNDT. You got a bargain rate from that point on? You were a steady customer and you got special rates?

Mr. SCHAGANE. Yes.

Senator MUNDT. Was Kamenow the one who asked for the \$2,000 the second time?

Mr. SCHAGANE. I beg your pardon?

Senator MUNDT. Was it Kamenow who asked for the \$2,000 the second time?

Mr. SCHAGANE. Yes.

Senator MUNDT. When you said "No," he said "We will settle for less and keep the pickets off"?

Mr. SCHAGANE. There was no mention of pickets or anything else. It was known and accepted as such.

The CHAIRMAN. In the meantime, Kamenow had gotten your business, your trucking business; hadn't he?

Mr. SCHAGANE. Well, he did at the time; yes.

The CHAIRMAN. He still has it?

Mr. SCHAGANE. No.

The CHAIRMAN. When did you get rid of him?

Mr. SCHAGANE. He decided, evidently, that the venture wasn't paying off and he broke up the partnership.

The CHAIRMAN. When? He still had it at the time that he asked for the \$2,000 and you didn't give it?

Mr. SCHAGANE. I believe that is correct. I think that was after that.

The CHAIRMAN. He was still in business with you at that time?

Mr. SCHAGANE. Yes.

The CHAIRMAN. Thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. Abe Schreiber.

Mr. Schagane, let me ask you a question to complete the story. The other company that met with you, were they also requested to pay the \$2,000?

Mr. SCHAGANE. Yes.

Mr. KENNEDY. And that was the Royalite Electric Co.?

Mr. SCHAGANE. Yes.

Mr. KENNEDY. They were asked to pay. Do you know if they did pay?

Mr. SCHAGANE. I do not know.

Mr. KENNEDY. He made the same terms, in other words, with both of you? Is that right?

Mr. SCHAGANE. Yes.

Mr. KENNEDY. And they had agreed at that meeting to pay the \$2,000?

Mr. SCHAGANE. I believe that is correct.

Mr. KENNEDY. As well as retain Kamenow?

Mr. SCHAGANE. I believe that is correct.

Mr. KENNEDY. Do you know if they ever had pickets outside their plant?

Mr. SCHAGANE. Not to my knowledge they did not.

Mr. KENNEDY. We can have the next witness explain what happened.

The CHAIRMAN. The committee will stand in recess until 2 o'clock. (Committee members present at time of recess: Senators McClellan and Mundt.)

(Whereupon, at 12:15 p. m. the committee was recessed, to reconvene at 2 p. m. the same day.)

AFTERNOON SESSION

(Members of the committee present at time of reconvening: Senators McClellan and Mundt.)

The CHAIRMAN. The committee will come to order, please.

Abe Schreiber, please.

You do solemnly swear the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SCHREIBER. I do.

TESTIMONY OF ABE SCHREIBER, ACCOMPANIED BY HIS COUNSEL,
GILBERT Y. RUBENSTEIN

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. SCHREIBER. My name is Abe Schreiber. I live at 1702 Linnwood Avenue, Flint, Mich. I am in the wholesale electrical supply.

The CHAIRMAN. You have counsel with you, Mr. Schreiber?

Mr. SCHREIBER. Yes, sir.

The CHAIRMAN. Counsel, will you identify yourself for the record, please?

Mr. RUBENSTEIN. I am Gilbert Y. Rubenstein. I am an attorney licensed to practice in the State of Michigan. I have my office at 1526 Mott Foundation Building, Flint, Mich.

The CHAIRMAN. Counsel, you may proceed.

Mr. KENNEDY. I believe the witness has a statement, Mr. Chairman.

The CHAIRMAN. Do you have a prepared statement you would like to read?

Mr. SCHREIBER. Yes, sir.

The CHAIRMAN. Was it submitted within the time under the rules?

Mr. KENNEDY. Yes, sir.

The CHAIRMAN. Has the statement been examined by counsel?

Mr. KENNEDY. It was.

The CHAIRMAN. All right. You can proceed to read the statement.

Mr. SCHREIBER. Royalite Co., a wholesale electric supply business, was organized in 1930 by Jack Shaprow and Abe Schreiber at Flint, Mich. It began as a 2-man operation, and grew into its present organization of 30 people. The company was incorporated under the laws of the State of Michigan during the fall of 1956, and its stock is still held by the Shaprow and Schreiber families.

Royalite Co. experienced its growth as the result of many factors; however, the management of the company does now and have always believed that the close personal relationship which has always existed between the company and its employees has been one of the most important factors in its continued progress and growth. The average length of service of the employees of this company is approximately 8 years. The company believes and hereby declares, without any reservation or fear of contradiction, that the working conditions, level of wages, other benefits, and other factors of employees' rights are and always have been higher than that which has prevailed in the same industry in the same area.

The Royalite Co. declares, to the best of its information, knowledge, and belief, that not one single employee has ever joined a union or sought to join a union or is a member of a union. As before mentioned, the Royalite Co. has never had any labor difficulties whatsoever during its entire existence, and the management of the company and its employees enjoy nothing less than the highest regard and loyalty toward each other.

Beginning some 4 or 5 years ago, and perhaps longer than that, the management of Royalite Co. became aware that organizational drives in various industries in the area of Flint, Mich., were effected by means of a picket line being used to coerce the employer to place his employees in a union without regard to a labor dispute or the desire of its employees to belong to a union.

Further, it was known to the management of the Royalite Co. that, if a company was involved in interstate commerce, then there could be no immediate relief or remedy, inasmuch as the employer had to go through Federal process with interminable and time-consuming delay; that it was commonly known in such cases the the employer or the union seeking and finally securing Federal relief would and did suffer severe and serious economic loss by such time-consuming delay.

The management of Royalite Co. realized, in view of the above, that its business, being the movement of electrical supplies, would be drastically curtailed and perhaps completely stopped by the placement of a one-man picket line in front of its place of business, even though no labor dispute existed. Accordingly, any employer, including this company, is constantly under threat of coercion in this manner described, regardless as to whether or not a labor dispute exists of any complaint could possibly be made as to standard of wages or working conditions of its employees.

Sometime during the middle of 1954 it appeared that an organizational drive was being made of this industry in the Flint area. At said time, it was believed, and the management of Royalite Co. still charges the truth to be, that not one of its employees were members of a union or had sought to join a union; at said time, no labor difficulty or dispute existed between Royalite Co. and its employees, nor was there or could there be made any complaint as to the wages or working conditions of the employees of Royalite Co.; that, as hereinbefore indicated, the management of Royalite Co. believed and still believe that if a one-man picket line were placed in front of its place of business it would become a noose of economic strangulation; that whatever relief could be afforded through Federal process would be unduly delayed and cause serious economic loss, not alone to the Royalite Co., but to its employees. Accordingly, although the Royalite Co. had not yet been approached concerning the organization of its employees, it still felt it imperative for its own protection and for the protection of its employees that it secure a labor-relations service to act in behalf of the Royalite Co. should the industry organizational drive reach this company, as was expected.

That it was at about this same time that the management of the Royalite Co. became aware that a labor-relations firm in Detroit, Mich., was representing some of the largest and most reputable national and local concerns, and thereafter the Royalite Co. did retain the Labor Relations Associates of Chicago, which was represented by a Mr. George Kamenow, of Detroit, Mich. The statements which were received by Royalite Co. from Labor Relations Associates for its fees and services, and the checks in payment thereof made by Royalite Co., have been examined by the investigators for your committee.

The Royalite Co. has taken pride in its relationships with suppliers and customers, in its efforts in behalf of the community where it is located, and, in no small measure, for the high plane of mutual confidence and respect which it enjoys with its employees.

The Royalite Co. has not and does not harbor any ill will toward any union organization which may seek to organize its employees. However, this company believes that corrective remedies must be promulgated to prevent the placement of a picket line for the sole purpose of coercing an employer to sign a union contract placing its employees in a union against their wishes; this company will, at any

time, gladly abide by the majority vote of its employees with respect to their representation by or without a union.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. When you approached and had the conference with Mr. Kamenow, of Labor Relations Associates, what financial arrangements did he make at the time?

Mr. SCHREIBER. At that time he told us the monthly fee would be \$100, plus a lump sum of \$2,000.

Mr. KENNEDY. What was the \$2,000 to be for?

Mr. SCHREIBER. At that time, I don't remember whether it was stated, but at a later date he came in and stated that this was for the purpose of taking the boys to the Rose Bowl game.

Mr. KENNEDY. Did you agree to pay the \$2,000?

Mr. SCHREIBER. Yes, sir.

Mr. KENNEDY. And the Advance Electrical Co. also agreed to pay the \$2,000?

Mr. SCHREIBER. Yes, sir.

Mr. KENNEDY. So you were going to take \$4,000 worth of teamsters union officials to the Rose Bowl game?

Mr. SCHREIBER. I didn't know who was going. I didn't ask that question of them, sir.

Mr. KENNEDY. Did he state at that time it was to take the teamsters officials to the Rose Bowl game?

Mr. SCHREIBER. Not to me, sir. He said the boys. Whom he meant by that, I do not know.

The CHAIRMAN. You were not willing to just give the \$2,000 to see somebody get to a football game without knowing who it was, were you?

Mr. SCHREIBER. Those are things you can't very well ask in the predicament you are put in.

The CHAIRMAN. You would like to have known?

Mr. SCHREIBER. I certainly would have.

The CHAIRMAN. But you dared not ask?

Mr. SCHREIBER. That is the way I felt.

The CHAIRMAN. That is the way you felt?

Mr. SCHREIBER. That is right.

Mr. KENNEDY. When you were first interviewed by Mr. Langenbacher, I was not there, but I believe you stated at that time that it was teamsters officials to be taken to the Rose Bowl.

Mr. SCHREIBER. That I cannot remember. It was some time ago. When Mr. Langenbacher was there, and he can verify this, the phones in my office were ringing constantly, and I had to get up from time to time and excuse myself to take care of the phones and people coming into my office.

Mr. KENNEDY. Do you think it possible that you might have told him at that time?

Mr. SCHREIBER. I can't remember.

Mr. KENNEDY. But now you remember he did mention teamsters officials?

Mr. SCHREIBER. I am not saying, because I don't know.

Mr. KENNEDY. So you paid the \$100 a month, and the \$2,000 was paid in 1954?

Mr. SCHREIBER. It wasn't paid in 1954. I believe you have statements there showing where it was prorated through the statements over a period of time.

Mr. KENNEDY. Over a period of 3 or 4 months; is that right?

Mr. SCHREIBER. I believe so.

Mr. KENNEDY. And then did he approach you again in December of 1955?

Mr. SCHREIBER. Yes, sir.

Mr. KENNEDY. For another \$2,000?

Mr. SCHREIBER. Yes, sir.

Mr. KENNEDY. Did you pay that \$2,000?

Mr. SCHREIBER. Yes, sir.

Mr. KENNEDY. Still to take the boys to the Rose Bowl game?

Mr. SCHREIBER. That was the same story.

Mr. KENNEDY. That was the following year. So you paid the \$2,000 to take the boys in 1954 and you paid another \$2,000 to take the boys in 1955?

Mr. SCHREIBER. That is right, sir.

Mr. KENNEDY. There were a lot of people going to the Rose Bowl game, even if they weren't teamsters officials; is that right?

Mr. SCHREIBER. I don't know.

Mr. KENNEDY. Well, he told you that he needed this money for these boys to go to the Rose Bowl game?

Mr. SCHREIBER. Yes, sir.

Mr. KENNEDY. You didn't raise any question about it at that time?

Mr. SCHREIBER. No, sir.

Mr. KENNEDY. You just paid it?

Mr. SCHREIBER. That is right.

Mr. KENNEDY. Then in 1956 did he approach you for another \$2,000?

Mr. SCHREIBER. Yes, sir.

Mr. KENNEDY. What did you say to him at that time?

Mr. SCHREIBER. I told him then that I wouldn't give it to him. He came back a second time and I said that I would only give him \$500.

Mr. KENNEDY. What did you say to him specifically?

Mr. SCHREIBER. Well, I was in the middle of building a 60,000-square-foot building. Financially I was being pressed very hard for money because of the economic conditions becoming very bad. I said to him, I says, "What do you want? My blood?"

Mr. KENNEDY. So he agreed ultimately to take only \$500?

Mr. SCHREIBER. That is right, sir.

Mr. KENNEDY. And you paid the \$500?

Mr. SCHREIBER. Yes, sir. Feeling that——

Mr. KENNEDY. Yes?

(The witness conferred with his counsel.)

Mr. KENNEDY. Did you tell Mr. Kamenow that it was nothing but blackmail?

Mr. SCHREIBER. No, sir.

Mr. KENNEDY. Do you remember when you were interviewed by Mr. Langenbacher, that you made that statement?

Mr. SCHREIBER. No, sir.

Mr. KENNEDY. You do not?

Mr. SCHREIBER. No, sir.

Mr. KENNEDY. Do you deny making it to Mr. Langenbacher?

Mr. SCHREIBER. No, sir.

Mr. KENNEDY. You didn't say anything about blackmail?

Mr. SCHREIBER. No, sir.

The CHAIRMAN. What do you say about it now?

Mr. SCHREIBER. That I can't say, sir.

The CHAIRMAN. Well, if you thought a fellow was after your blood, what other way would you describe it?

(The witness conferred with his counsel.)

Mr. SCHREIBER. We are retaining him at the present time, although I haven't paid a bill since this investigation started.

The CHAIRMAN. I understand. But do you think that the \$2,000 was for any legitimate purpose?

Mr. SCHREIBER. I couldn't very well tell that, sir.

The CHAIRMAN. You could pretty well tell it wasn't, couldn't you?

Mr. SCHREIBER. Well, it was—What did you say, sir? Illegitimate?

(The witness conferred with his counsel.)

The CHAIRMAN. Well, I didn't put it exactly that way.

(The witness conferred with his counsel.)

The CHAIRMAN. It was not for a legitimate purpose. I will put it that way.

(The witness conferred with his counsel.)

The CHAIRMAN. Did you feel that the \$2,000 was for a legitimate purpose?

(The witness conferred with his counsel.)

Mr. SCHREIBER. I was paying him for a service that was being rendered at the time.

The CHAIRMAN. That doesn't answer the question. He might render a service for a purpose that was legitimate or for one that was not legitimate. Did you regard the \$2,000 payment as for a legitimate purpose to take the union officials to the football game?

Mr. SCHREIBER. I regarded the fee as legitimate inasfar as the fee in itself was concerned.

The CHAIRMAN. I am not talking about that. I am talking about the \$2,000 to carry a group of union officials to a football game. Do you regard that as a legitimate purpose for paying the money?

Mr. SCHREIBER. I don't know whether he took the union officials or not. That was his statement to us.

The CHAIRMAN. That would even make it worse, if anything, if it could be worse. You felt you were actually being blackmailed, didn't you, that they were getting this money out of you to keep the union away; isn't that correct?

Mr. SCHREIBER. No; he was rendering a service to us at the time.

The CHAIRMAN. That is pretty good service, keeping the union away; isn't it? Isn't that what you thought?

(The witness conferred with his counsel.)

The CHAIRMAN. Wasn't that a part of the service he was providing, keeping union away from your plant?

Mr. SCHREIBER. Well, at that time I didn't know. What I was trying to do was trying to keep my business open rather than have a picket line come around.

The CHAIRMAN. Well, if you keep the picket line away, you keep the union away, don't you? The picket line is part of the union.

Mr. SCHREIBER. As I say, the union has never approached us, and we didn't know whether it was a part of that or not, sir.

The CHAIRMAN. I can't understand you business people coming up here and evading questions like that. It just doesn't have the right sort of ring to it. You weren't paying \$2,000 to carry some union officials to a football game simply because you felt you owed it to them. You expected something in return, and what you expected in return was to keep a picket line away from your place of business, wasn't it?

Mr. SCHREIBER. Yes, sir.

The CHAIRMAN. All right. Why don't you say so? I can understand some people when they are in a tight place don't want to tell any more than they have to. But here we are trying to do the country a service and you people a service by finding out what these rackets are and try to find some way to legislate to prevent them. When you come in here, you are reluctant to give us the facts. We have to drag them out of you. I think you ought to be more cooperative. I don't want to put words in your mouth, but you present a case here that is absolute on the face of it, and I don't see why you just simply don't be frank about it.

Mr. KENNEDY. Do you still retain Mr. Kamenow?

Mr. SCHREIBER. He has been sending us bills, but we have ignored them entirely.

Mr. KENNEDY. Since when?

Mr. SCHREIBER. Since this investigation started. The last payment was made——

(The witness conferred with his counsel.)

Mr. KENNEDY. While he is looking that up, let me ask you a question.

Mr. SCHREIBER. February 18, 1957.

Mr. KENNEDY. Up to that time, did Mr. Kamenow come around very often to see you?

Mr. SCHREIBER. Probably 4 or 5 times a year.

Mr. KENNEDY. Did he perform any services for you?

Mr. SCHREIBER. To the best of my knowledge, he used to come in and ask how things were going, if everything was going all right, and we told him yes.

Mr. KENNEDY. Beyond that he did nothing?

Mr. SCHREIBER. No.

Mr. KENNEDY. And you have had no difficulties with the union?

Mr. SCHREIBER. No, sir.

Mr. KENNEDY. And none of your employees are unionized?

Mr. SCHREIBER. No, sir.

Mr. KENNEDY. And the teamsters have not come; is that right?

Mr. SCHREIBER. They never have been there.

Mr. KENNEDY. That is all, Mr. Chairman.

Here are the statements and the checks.

Senator MUNDT. Who told you that the picket line was going to come? You never really had a picket line?

Mr. SCHREIBER. No.

Senator MUNDT. What made you think you were going to have one?

Mr. SCHREIBER. Well, Mr. Schagane of the Advance Electric called us and advised us that such was in progress. We knew what he was going through at the time. Being in interstate commerce, there are

many trucks that bring merchandise in from other States, and couldn't be unloaded at your place of business. Sooner or later, it would retard and slow you up where you couldn't even do any business.

Senator MUNDT. Did he tell you why the picket line was out in front of his place?

Mr. SCHREIBER. No, sir.

Senator MUNDT. Had he been having labor trouble?

Mr. SCHREIBER. Pardon?

Senator MUNDT. Had he been having labor trouble?

Mr. SCHREIBER. Not that I know of.

Senator MUNDT. He simply said "I have a picket line out in front of my place, and it looks like you are going to be the next one in line?"

Mr. SCHREIBER. That is right.

Senator MUNDT. So together you went to see this man Kamenow to get rid of picket lines?

Mr. SCHREIBER. He came to Flint.

Senator MUNDT. Did you ever give any money to anybody else besides Kamenow? Did you ever give it to any union officials?

Mr. SCHREIBER. No, sir.

Senator MUNDT. Just to Kamenow?

Mr. SCHREIBER. That is right.

Senator MUNDT. Do you suppose Kamenow had anything to do with establishing the picket line at the Advance Electrical Co.?

Mr. SCHREIBER. That I can't answer.

Senator MUNDT. You are pretty sure he had something to do with taking it away, but you are not sure whether he put it there first or not, to set the stage for these \$2,000 payments? That you don't know?

Mr. SCHREIBER. That is right, sir.

The CHAIRMAN. I present to you photostatic copies of 7 bills rendered to you, and photostatic copies of 7 checks in payment of these bills, rendered to you by Labor Relations Associates. I ask you to examine them and state if you identify them.

(Documents handed to witness, who conferred with his counsel.)

The CHAIRMAN. State if you identify those as the bills rendered to you by Labor Relations Associates.

(The witness conferred with his counsel.)

Mr. SCHREIBER. That is right, sir.

The CHAIRMAN. Those are the bills, photostatic copies, and also photostatic copies of the checks in payment thereof?

Mr. SCHREIBER. That is right, sir.

The CHAIRMAN. The bills may be made exhibit No. 50-A, B, C, D, and so forth, and the checks will be exhibit 51-A, B, C, and D, and so forth.

(The documents referred to were marked respectively "Exhibit 50-A, B, C, D, E, F, G," and "Exhibits 51-A, B, C, D, E, F, G" and will be found in the appendix on pp. 6604-6617.)

Senator MUNDT. Mr. Schreiber, in your opening statement you said it would take too long and would be too expensive for you to try to seek recourse through the Federal processes in eliminating the picket line and that is what drove you into the arms of Mr. Kamenow. As the chairman said, one of the purposes of our hearing is to try and find out what, if any, legislation is needed to develop a more wholesome and healthful economic climate, not only from the standpoint

of small-business men like you, but from the standpoint of your employees, from the standpoint of the members of labor unions, the rank and file dues-paying members, and from the standpoint of larger industries, too.

Do you assume or do you believe that you might have been protected against the kind of problem that drove you into the arms of Mr. Kamenow if there were a law making it illegal for a picket line to operate in front of a plant unless that picket line had the support of a minimum number of the employees within the plant?

Mr. SCHREIBER. Yes, sir.

Senator MUNDT. You don't think your own employees would have endorsed such a picket line?

Mr. SCHREIBER. No, sir.

Senator MUNDT. That might be hard on Mr. Kamenow's racket, and cut down the attendance at the bowl games somewhat. But we want to do something to protect not only the employees who don't want to get into a union, but management that doesn't want to have picket-line trouble, and to protect management against the ugly alternative of going broke or having to make payments of this kind, which are a disguised bribe, to protect themselves against some undefined menace which would wreck their economy.

Mr. SCHREIBER. That is right, sir.

The CHAIRMAN. What is the gross business you do each year at your place of business?

Mr. SCHREIBER. Well, it would be an unfair question to reveal the exact amount, but I will say over \$2 million a year.

The CHAIRMAN. I am not trying to get any particular business secrets. I am trying to relate it to this problem that we have.

Mr. SCHREIBER. In excess of \$2 million a year.

The CHAIRMAN. I asked the other witness the same same question. You have about 30 employees?

Mr. SCHREIBER. That is right, sir.

The CHAIRMAN. Thank you.

Mr. KENNEDY. How many of the employees were susceptible of being organized by the teamsters?

(The witness conferred with his counsel.)

Mr. SCHREIBER. Two drivers and warehousemen. There were probably six people.

Mr. KENNEDY. Six people?

Mr. SCHREIBER. That is right, sir.

The CHAIRMAN. Thank you very much.

Mr. RUBENSTEIN. If the Chair please, and I may be a little remiss and presumptuous, I have made this effort to come to Washington with Mr. Schreiber, and I do want to say one thing to the Senator to your right. He has indicated that there might need to be some remedial legislation. This is an opportunity for me to say something that is of importance at this time.

The CHAIRMAN. It will be regarded as a statement on the record, but it is not testimony, unless you care to be sworn to express your views.

Mr. RUBENSTEIN. It is for whatever the opinion is worth. I heard laughter with reference to the last answer made about the fact that there were six people and these kind of payments were made. I

think Mr. Schreiber in his statement indicated that the thing he was trying to prevent was an immediate strangulation without having any remedial relief.

This morning the Senator from South Dakota, I believe, mentioned that there is a twilight zone. I think our Supreme Court has even called it a no-man's land. It does exist with reference to the small-business people, where the jurisdictional requirements of the NLRB are such that they don't quite reach them. The NLRB therefore is not interested, and our Supreme Court, at least in its latest decisions, has said that the State, whether it be the State courts or the State labor mediation board and so forth, have no power. You are then leaving that field wide open for the kind of—I don't know what you want to call it, use the adjective yourself. But whatever you want to call these things that you are bringing out today is being brought about in large measure by that. I think it has been said before, first the no-man's zone has to be taken care of, and I think quickly, and, secondly, I think it has to do with when there is a dispute, a legitimate labor dispute, and there is a majority of the people in a plant, a firm or whatever it is, who have taken a determination or have taken a stand with reference to it, then I think the right to the picket line is proper.

But I think otherwise it is improper because it is a method and pressure that cannot be otherwise overturned, unless they look for the so-called consultant that may not be operating in what you would call a proper manner.

That is my statement for whatever it is worth.

The CHAIRMAN. Thank you very much. I don't know that I could supply the adjective. To me this sort of a practice is a racket. They don't seek to organize the plant. They simply take this coercive attitude to get money to go to football games, fishing, and maybe to do several other things. The money does not go to the worker. It goes to an officer who has a position of trust and responsibility to the worker. The worker gains nothing from it.

This sort of a practice is not legitimate organization, in my view. The little-business man, under the circumstances, is caught, sometimes at least—not always, but sometimes, I am sure—have been willing to go along with such an arrangement, but many times they have no alternative. It is either to do that or have their business greatly impaired, if not wrecked.

Mr. RUBENSTEIN. I would say, sir, without being argumentative, that it not only affects the employer, but sometimes it affects the employees. When these firms are shut down, the employee suffers, too. As you say, the workingman does not benefit, but he can suffer a detriment. If he is forced to join a union that he doesn't want, it is a detriment. If his shop is closed against his will and he loses wages, it is a detriment. So it is, in kind, a detriment to him.

The CHAIRMAN. I said they got no benefit. As you say, they can suffer the loss of a job, or the loss of wages, and maybe other losses.

Mr. RUBENSTEIN. That is true.

Mr. KENNEDY. Mr. Emile Salay.

The CHAIRMAN. Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SALAY. I do.

**TESTIMONY OF EMILE SALAY, ACCOMPANIED BY HIS COUNSEL,
PAUL BRAINARD**

The CHAIRMAN. State your name, your place of residence and your business or occupation.

Mr. SALAY. My name is Emile Salay. I live at 23 Craner Drive, Davidson, Mich. I am the secretary of the Clinton Sausage Works, Inc., in Flint, Mich.

The CHAIRMAN. Do you have counsel with you?

Mr. SALAY. Yes, sir.

The CHAIRMAN. Mr. Counsel, will you identify yourself for the record?

Mr. BRAINARD. My name is Paul Brainard. I am authorized to practice law in the State of Michigan. I have offices at 412 Stevens Street, Flint.

The CHAIRMAN. Thank you very much.

Mr. KENNEDY. You are secretary of the Flint Sausage Works?

Mr. SALAY. Yes, sir.

Mr. KENNEDY. How many employees do you have?

Mr. SALAY. Approximately 55.

Mr. KENNEDY. And they were nonunion up until April of 1956?

Mr. SALAY. Yes, sir.

Mr. KENNEDY. There was an attempt to organize, by the teamsters local in Flint, Mich., your employees at that time?

Mr. SALAY. Yes, sir.

Mr. KENNEDY. Was it recommended to you during that period around April of 1956 that you retain the services of Labor Relations Associates?

Mr. SALAY. What date was that?

Mr. KENNEDY. Well, April of 1956; after the teamsters began an organizational drive.

Mr. SALAY. No; we originally received a registered letter from the teamsters stating they had been appointed bargaining agents.

Mr. KENNEDY. They had been appointed. Do you have that letter?

Mr. SALAY. I don't have it.

Mr. KENNEDY. Had there been an election of your employees up to that time?

Mr. SALAY. No, sir. They advised me they represented our drivers and salesmen as bargaining agents.

Mr. KENNEDY. How many drivers and salesmen did you have?

Mr. SALAY. Approximately 12 at that time.

Mr. KENNEDY. Did you have any evidence or indication that they did represent them?

Mr. SALAY. They presented signed cards.

Mr. KENNEDY. Of how many?

Mr. SALAY. Of approximately 10 of them.

Mr. KENNEDY. Approximately 10 of them?

Mr. SALAY. That is right.

Mr. KENNEDY. And you checked the cards, did you?

Mr. SALAY. Yes, sir.

Mr. KENNEDY. Did you meet with them at that time, then? What was the date of the letter, first?

Mr. SALAY. It was in the middle part of April, and I do not have that letter with me; I am sorry.

Mr. KENNEDY. Did you meet with anybody from the union at that time?

Mr. SALAY. They just came, about a week later they came to our office, to set up a meeting for negotiations.

Mr. KENNEDY. Who came to your office?

Mr. SALAY. Frank Kierdorf and Mr. Gorman.

Mr. KENNEDY. Mr. Gorman—what was his position in the local?

Mr. SALAY. Frank Kierdorf is the business agent and what Gorman's position is I don't know.

Mr. KENNEDY. So they came and they made an appointment to meet at a later date?

Mr. SALAY. That is right. They were to contact us in a few days, approximately.

Mr. KENNEDY. During that period of time did you contact Mr. Kamenow?

Mr. SALAY. No, sir.

Mr. KENNEDY. Did you meet with the union official then?

Mr. SALAY. On April 25, I have that date, there was a meeting with our auditor, Harry Colbert, and Mr. Paul Brainard, our attorney. Mr. Colbert suggested at that time that we contact a Mr. Charles Cummings, an attorney in Lansing, Mich., who had written many labor contracts.

We had this meeting with Mr. Cummings and he was retained. He suggested that we demand an election be held. Then a few days after April 26 Mr. Kierdorf came to our office and I told him that we had been advised by counsel to demand an election. Mr. Kierdorf said it was useless, because in addition to all of our driver-salesmen being signed up, he also had our two supervisor-salesmen signed, and he presented their signed cards.

In view of all of those signatures, our demand for an election was waived.

Mr. KENNEDY. So then did you contact Mr. Kamenow?

Mr. SALAY. Not at that time. On May 9 there was a conference at the Grand Hotel in Flint, Mich., between management and our 2 attorneys; Mr. Kierdorf was present, along with 3 of our company driver-salesmen.

At that time the union proposed a contract which was gone over, and wasn't agreeable to the company.

Mr. KENNEDY. Did you make some changes at that time?

Mr. SALAY. Just a few, and it was more or less—that was the first time a contract had been presented. Then we were given a few days for a counterproposal.

Mr. KENNEDY. Just go ahead, then.

Mr. SALAY. That was on May 14 and 15. Then for the balance of that week, management, Mr. Brainard—

Mr. KENNEDY. We don't have to go into all of the details. Did you contact Mr. Kamenow during this period?

Mr. SALAY. No, sir. Mr. Kamenow was contracted about May 17, about that date, approximately.

Mr. KENNEDY. What was the status of the negotiations at that time?

Mr. SALAY. It was pretty much at a stalemate. Demands were too great, we felt, and our counterproposals were not accepted, and we were still bargaining.

Mr. KENNEDY. Then did you learn that your brother learned that Kamenow had performed some useful services for businessmen in Flint, Mich.

Mr. SALAY. That is right.

Mr. KENNEDY. With the teamsters union?

Mr. SALAY. That is right.

Mr. KENNEDY. Did you get in touch with Mr. Kamenow?

Mr. SALAY. We had a meeting with Mr. Kamenow the following week of May 17 or thereabouts.

Mr. KENNEDY. What did he state to you at that time?

Did he state that in view of the fact that the negotiations had started, it would be too late to keep the union out altogether?

Mr. SALAY. That is right.

Mr. KENNEDY. But that he thought that he could get you a good contract or a better contract?

Mr. SALAY. He thought that he could get us a good contract.

Mr. KENNEDY. What did he say that his services would be? How much was he going to charge?

Mr. SALAY. At that time he didn't. Later on I asked him at another meetings.

Mr. KENNEDY. How much did he say you would have to pay; a monthly fee of how much?

Mr. SALAY. We would have to pay between \$2,500 and \$3,000 a year for his services.

Mr. KENNEDY. Would that be a \$50 monthly fee?

Mr. SALAY. That is right.

Mr. KENNEDY. And between \$2,500 and \$3,000 would be in addition to that?

Mr. SALAY. No, that would be included.

Mr. KENNEDY. Well, about \$2,500, that would have to be on top of the \$50 a month, making a total of between \$2,500 and \$3,000; is that right?

Mr. SALAY. Approximately; yes.

Mr. KENNEDY. Approximately \$2,500 or between \$2,000 and \$2,500, was that to be used for entertainment of teamster union officials?

Mr. SALAY. I understood that; yes.

Mr. KENNEDY. That is what he stated to you?

Mr. SALAY. Words to that effect.

Mr. KENNEDY. Did he say he would have to take the boys on fishing trips, to the Rose Bowl games, and hunting trips and to the horseraces?

Mr. SALAY. That was mentioned.

Mr. KENNEDY. All of those four items?

Mr. SALAY. Yes, sir.

Mr. KENNEDY. And that these payments would be for that purpose; is that right?

Mr. SALAY. That is right.

Mr. KENNEDY. Did you agree to that?

Mr. SALAY. We agreed to his fee of \$2,500 and \$3,000 per year.

Mr. KENNEDY. Did he suggest that you get in touch with Frank Kierdorf and tell him that you had retained Kamenow?

Mr. SALAY. No.

Mr. KENNEDY. Did you get in touch with Kierdorf?

Mr. SALAY. No.

Mr. KENNEDY. You got in touch with Kierdorf?

Mr. SALAY. No, he did.

Mr. KENNEDY. Kamenow got in touch with him?

Mr. SALAY. Yes, sir.

Mr. KENNEDY. They did the negotiating from then on, is that right?

Mr. SALAY. That is right, and we had numerous meetings.

Mr. KENNEDY. And you received or he was able to get a contract that was acceptable to you?

Mr. SALAY. It was acceptable to us, and it was comparable to the contracts in our area, which I had checked on in the meantime.

The CHAIRMAN. How did it compare with the contract that they had submitted to you, their proposition in the beginning?

Mr. SALAY. Well, it was less. But it was an increase over what we had been paying.

The CHAIRMAN. An increase over what you had paid, and it was less than the union demand?

Mr. SALAY. Yes, the original demand.

The CHAIRMAN. Taking into account the union demands and what you finally settled for, plus around \$3,000 a year, you were to pay out, did you come out better than you would have if you had signed the original contract?

Mr. SALAY. I have never figured that out, Senator McClellan.

The CHAIRMAN. You must have made some calculations about it at the time.

Mr. SALAY. I don't know.

The CHAIRMAN. You don't know?

Mr. SALAY. No.

Mr. KENNEDY. The contract that had originally been presented to you by the union which was not acceptable, you had made certain notations on it as to what you desired; is that right?

Mr. SALAY. Our attorney had.

Mr. KENNEDY. And the changes that had been made by your attorney in the contract were encompassed in the contract as it was finally accepted in large part, isn't that right?

(The witness conferred with his counsel.)

Mr. SALAY. We are not sure. That was a contract; the first contract was written on at that first meeting.

Mr. KENNEDY. But I have here what I understand is the original contract as it was prepared by the teamsters, and then there were changes made in pencil above the various figures that they used. For instance, base pay of \$37.50 changed to \$34.50. Four percent commission changed to 3 percent, in pencil.

Mr. SALAY. That is what we were paying.

Mr. KENNEDY. And so on, and those changes seem to be generally encompassed in this contract as it was finally written.

Mr. SALAY. Yes, it was an increase for a 3-year contract, to increase each year.

Mr. KENNEDY. But he was able to obtain a very good contract for you, in comparison with what the union originally wanted.

Mr. SALAY. From the original contract we felt it was a fair contract.

Mr. KENNEDY. Was there a raise immediately, or was there a raise over a period of time that was given to your employees?

Mr. SALAY. Effective July 16, 1956.

Mr. KENNEDY. When was the contract signed?

Mr. SALAY. The contract was signed May 15, 1957.

Mr. KENNEDY. It was signed in May of 1957?

Mr. SALAY. Yes, May of 1957. This contract was lived up to orally.

Mr. KENNEDY. When were the raises in pay or increases in wages to start for the employees over what they had been getting?

Mr. SALAY. July 16, 1956, was when the first raise was started.

Senator MUNDT. I thought you didn't sign the contract until 1957? That is a year later.

Mr. SALAY. That is right.

Senator MUNDT. You back-dated the raise in pay, then?

Mr. SALAY. This contract had been worked on for some time, and we were living up to the terms of our decision orally.

Senator MUNDT. The effective date of the raise, back-dated about a year, is July of 1956, even though you didn't sign it until 1957?

Mr. SALAY. Actually we went along with our oral agreement, and later on the contract was signed.

Senator MUNDT. You actually started increasing the pay of the men?

Mr. SALAY. July 16, 1956.

Senator MUNDT. It was an oral contract at that time or an oral understanding?

Mr. SALAY. Yes, sir.

Mr. KENNEDY. Did the contract provide for an increase in wages for your employees immediately?

Mr. SALAY. Yes.

Mr. KENNEDY. It did?

Mr. SALAY. Yes.

Mr. KENNEDY. But it was in accordance—or the wage increase, the benefits were only as much as the attorneys had agreed to at the regional meeting, isn't that right; that is, your own attorneys had agreed to originally?

(The witness conferred with his counsel.)

Mr. KENNEDY. Why I say that is because of an examination of this contract with the penciled notations which you state were made by your attorney at the first meeting, and comparing those penciled notations it seems to be identical with the contract as it was ultimately signed.

Mr. SALAY. That isn't a complete contract. That is just the rate and the wage scale. That isn't a complete contract.

Mr. KENNEDY. As far as the wage scale is concerned and the rates of pay, it is as you people wanted to sign originally; is that right? You were able to get the union or Mr. Kamenow was able to get the union to accept what your attorneys wanted to be accepted originally; isn't that right, with respect to wages and rates of pay?

(The witness conferred with his counsel.)

Mr. SALAY. It would be very close to it. We must remember, too, that these rates were originally based on a 6-day week and we went

onto a 5-day basis, which is a considerable raise, naturally, to our men.

Mr. KENNEDY. Now, did he speak to you specifically in June of 1956 about the payments that would have to be made for the yachting and boating trip for the teamster officials?

Mr. SALAY. As I recall, he mentioned in June that we would receive a considerable charge the following month and it was for the boys' entertainment for the Fourth of July.

Mr. KENNEDY. Did he tell you specifically it was for a fishing and yachting trip for them?

Mr. SALAY. I believe that is right.

Mr. KENNEDY. That charge to you, that was to be over the Fourth of July weekend?

Mr. SALAY. Yes.

Mr. KENNEDY. That was \$2,177.42.

Mr. SALAY. \$2,177.42; yes, that is right.

Mr. KENNEDY. Did he speak to you about what was going to happen over Labor Day, if you were taking care of them on the Fourth of July?

Mr. SALAY. He mentioned that McDonald Dairy would be billed for Labor Day.

Mr. KENNEDY. So, that had all been arranged. You were to take care of them on the Fourth of July and McDonald Dairy was to take care of them on Labor Day weekend.

Mr. SALAY. Apparently so.

Mr. KENNEDY. He told you that?

Mr. SALAY. That is right.

Mr. KENNEDY. They were in charge of the entertainment for Labor Day weekend for the boys?

Mr. SALAY. That is right.

Mr. CHAIRMAN. I present to you a photostatic copy of a bill, and also a photostatic copy of a check. The bill is rendered July 31, 1956, for retainer fee for the month of August, \$50, and disbursements for the month of July, \$2,177.42, making a total of \$2,227.42, the amount of the photostatic copy of the check here. Will you examine those photostats and see if you identify them as such, and whether it is accurate?

Mr. SALAY. Yes; it is correct.

The CHAIRMAN. That document, the photostatic copy of the bill, may be made exhibit No. 52.

(The document referred to was marked "Exhibit No. 52" for reference, and will be found in the appendix on p. 6618.)

Mr. KENNEDY. Did he ever tell you if they had enjoyed their hunting trip or their yachting trip?

Mr. SALAY. It seems to me that something was mentioned like that.

Mr. KENNEDY. He wanted to tell you that they had enjoyed it?

Mr. SALAY. Apparently so; I am sure he did.

Mr. KENNEDY. He reported that to you?

Mr. SALAY. Yes, sir.

Mr. KENNEDY. Did you see him in December of 1956? Did he come by with an automobile?

Mr. SALAY. Yes, sir.

Mr. KENNEDY. Was the automobile filled with portable TV sets?

Mr. SALAY. There were some in there.

Mr. KENNEDY. What did he say they were for?

Mr. SALAY. As I recall, they were gifts for the boys.

Mr. KENNEDY. All right. Thank you.

The CHAIRMAN. Did you pay for the TV sets?

Mr. SALAY. That I don't know.

The CHAIRMAN. Sir?

Mr. SALAY. That I don't know.

The CHAIRMAN. You don't know who paid for them?

Mr. SALAY. No.

The CHAIRMAN. You are not sure whether you paid for them or you didn't?

Mr. SALAY. No.

The CHAIRMAN. It could have been included in the \$2,100.

Mr. SALAY. That is right; it could have been.

Senator MUNDT. He used the phrase, "the boys." Who did you think he meant—the people in your company?

Mr. SALAY. I beg your pardon?

Senator MUNDT. Did you think that he meant the men in your plant?

Mr. SALAY. Apparently, not the men in my plant.

Senator MUNDT. Whom did you think that he meant?

Mr. SALAY. I would think he would be referring to the officials of the union.

Senator MUNDT. That was the inference you drew?

Mr. SALAY. Yes.

The CHAIRMAN. All right. Thank you very much.

Who is the next one?

Mr. KENNEDY. Mr. Chairman, we would like to call Mr. Kent MacGregor.

The CHAIRMAN. Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MACGREGOR. I do.

TESTIMONY OF KENT L. MacGREGOR

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. MACGREGOR. My name is Kent L. MacGregor, 1060 Lafayette Street, Flint, Mich., and I am president of the MacGregor Tire Co.

The CHAIRMAN. How long have you had that business, Mr. MacGregor?

Mr. MACGREGOR. Since February of 1946.

The CHAIRMAN. You waive counsel, do you?

Mr. MACGREGOR. I do.

The CHAIRMAN. How many employees have you?

Mr. MACGREGOR. Approximately 20 or 21.

The CHAIRMAN. All right, Mr. Kennedy, proceed.

Mr. KENNEDY. Mr. MacGregor, there was an attempt made to organize your employees back in 1954?

Mr. MACGREGOR. That is right.

Mr. KENNEDY. That was by Mr. Frank Kierdorf, of the teamsters local in Flint, Mich.?

Mr. MACGREGOR. That is right.

Mr. KENNEDY. Did you, when that attempt was made to organize, contact Mr. George Kamenow?

Mr. MACGREGOR. Sometime after that attempt was made to organize, I contacted Mr. Kamenow; yes, sir.

Mr. KENNEDY. Had he been recommended to you by other businessmen in Flint, Mich.?

Mr. MACGREGOR. Yes, sir.

Senator MUNDT. What do you mean, Mr. MacGregor, by an "attempt to organize"? Would you tell us something about what was done? Did the men in your plant come to your office, and say, "We want to have a union, Mr. MacGregor," or what do you mean?

Mr. MACGREGOR. The only attempt, from that standpoint, was Mr. Kierdorf talked to me on several different occasions, personally, about organizing our employees. That was the extent of the attempt to organize.

Senator MUNDT. Did he have any evidence that he presented to you that he represented your employees?

Mr. MACGREGOR. No, sir.

Senator MUNDT. What reason did he give you to believe that he represented the employees?

Mr. MACGREGOR. He said that he represented, and had cards signed by, several of our employees.

Senator MUNDT. Did he show you the cards?

Mr. MACGREGOR. No, sir.

Senator MUNDT. Did he say how many he had?

Mr. MACGREGOR. Yes, I believe he said that he had four.

Senator MUNDT. Out of 20?

Mr. MACGREGOR. Yes.

Senator MUNDT. You did not see the cards?

Mr. MACGREGOR. No, sir.

Senator MUNDT. Had any of the members of your plant come to you from among those four, or any other group, to say "Mac, we ought to have a union?"

Mr. MACGREGOR. No, sir.

Senator MUNDT. All you knew about their desire to have a union was the fact that this man came in and said, "I have four cards in my pocket," and that is all?

Mr. MACGREGOR. That is about it.

Mr. KENNEDY. So, you got in touch with George Kamenow?

Mr. MACGREGOR. That is right.

Mr. KENNEDY. And he said that he would be able to help you out and assist you?

Mr. MACGREGOR. No; he never said that he could help me out too much or assist me too much. We talked it over, and the circumstances surrounding it and the possibilities of what we could do, and what I thought, how many of our men would actually want to join a union, and we never discussed—

Mr. KENNEDY. You retained him, did you not?

Mr. MACGREGOR. I certainly did.

Mr. KENNEDY. You must have thought he was going to be able to assist you.

Mr. MACGREGOR. That is right.

Mr. KENNEDY. What was the arrangement made, financially, with him?

Mr. MACGREGOR. The financial arrangement was \$75 a month, and if he had any expenses over and above that he had to clear them with me first for my O. K.

Mr. KENNEDY. Did he tell you there would be certain charges for entertainment?

Mr. MACGREGOR. He said there would be some entertainment.

Mr. KENNEDY. Did you tell him at that time how much maximum he could use on entertainment?

Mr. MACGREGOR. We had no agreed figure.

Mr. KENNEDY. After you retained Mr. Kamenow, did you hear again from Mr. Kierdorf?

Mr. MACGREGOR. Not directly; no.

Mr. KENNEDY. Did you hear from him indirectly?

Mr. MACGREGOR. You always have a grapevine.

Mr. KENNEDY. Did he ever approach you?

Mr. MACGREGOR. No, sir.

Mr. KENNEDY. He never came back again?

Mr. MACGREGOR. Not to discuss union affairs.

Mr. KENNEDY. He never attempted to organize, then?

Mr. MACGREGOR. Not that I know of.

Mr. KENNEDY. Did Mr. Kamenow speak to you, subsequently about any entertainment money that he would need?

Mr. MACGREGOR. Yes, sir.

Mr. KENNEDY. When was that?

Mr. MACGREGOR. At approximately 2 months after that, I believe it would be, the figures there will show it exactly, he said he would like to take a trip, I believe to Washington, D. C., and I O. K'd it.

Mr. KENNEDY. What is that?

Mr. MACGREGOR. I O. K'd it.

Mr. KENNEDY. How much did he say he wanted?

Mr. MACGREGOR. About \$500.

Mr. KENNEDY. What was that for?

Mr. MACGREGOR. Ostensibly to take a trip to Washington, D. C.

Mr. KENNEDY. With whom?

Mr. MACGREGOR. I don't know exactly with whom, and he never said for whom.

Mr. KENNEDY. What did he say, just "I want to take a trip to Washington"?

Mr. MACGREGOR. "I want to take some of the people down to Washington."

Mr. KENNEDY. Who are "some of the people"?

Mr. MACGREGOR. I don't know.

Mr. KENNEDY. Who did you assume they were?

Mr. MACGREGOR. You could assume if you want.

Mr. KENNEDY. Who did you think you were paying the \$500 to to take to Washington?

Mr. MACGREGOR. I didn't think at all.

Mr. KENNEDY. You didn't think at all, you just paid \$500 out?

Mr. MACGREGOR. That is right.

Mr. KENNEDY. Without knowing where it was going?

Mr. MACGREGOR. That is right.

Mr. KENNEDY. And it was for entertainment, and you didn't think about it at all?

Mr. MACGREGOR. No, sir.

Mr. KENNEDY. That doesn't make any sense at all.

Mr. MACGREGOR. It makes a lot of sense.

Mr. KENNEDY. Why? Would you explain why you would pay the \$500?

Mr. MACGREGOR. There is nothing at all about entertainment.

Mr. KENNEDY. Who was he entertaining?

Mr. MACGREGOR. It doesn't make any difference who he was entertaining.

Mr. KENNEDY. What did that have to do with you that you pay \$500 to entertain whom?

Mr. MACGREGOR. Whoever he wanted to entertain, and I didn't care whom he entertained.

Mr. KENNEDY. I would think your paying \$500, your \$500, Mr. MacGregor—

Mr. MACGREGOR. Well, \$500 isn't the only thing in the world. There is more than \$500 in the world.

Mr. KENNEDY. You didn't care, then? For the \$500, you didn't care how he was using the money?

Mr. MACGREGOR. No; that is not a large amount of money.

Mr. KENNEDY. So you just gave him \$500?

Mr. MACGREGOR. I would give \$500 to you.

Mr. KENNEDY. You would just hand it out, and if I said I wanted to entertain somebody, it would be all right?

Mr. MACGREGOR. If you wanted to entertain someone worth while, I would probably give you \$500.

The CHAIRMAN. Mr. MacGregor, you want to make these statements that it made no difference to you, but I think it is pretty apparent on the face of it, the whole purpose of it was to keep a union out of your plant. Do you want to deny that?

Mr. MACGREGOR. Yes; I would.

The CHAIRMAN. Then for what purpose was it paid?

Mr. MACGREGOR. The only reason, as I reported to you, was simply one fact. I felt that we could beat the union any day in the week, and all we had to do was to arrive at some manner in which we could have an election or some place that we could build on so that we could get it out in the open so that we could have an election to see what the employees wanted. If the employees want a union, there is no reason not to have a union.

The CHAIRMAN. I understand, but in this instance you had no information from your own employees that they wanted a union.

Mr. MACGREGOR. Not a bit; I didn't think they wanted one.

The CHAIRMAN. You did not think they wanted one?

Mr. MACGREGOR. No, sir.

The CHAIRMAN. So what you were actually paying this money for, the \$500 for entertainment, was not to entertain Kamenow, but for him to use to entertain union officials and keep them off of you?

Mr. MACGREGOR. What he wanted to do with it was up to him.

The CHAIRMAN. Sure, it may have been up to him, but as a businessman you are not just throwing around \$500 without having some idea of what it is going to accomplish, or you?

Mr. MACGREGOR. The only thing we really wanted to do was to get the union permission to have an election.

The CHAIRMAN. Did you not succeed in it?

Mr. MACGREGOR. No; they never agreed to an election, and they never got any further with it.

The CHAIRMAN. And they have not done anything to unionize you since; have they?

Mr. MACGREGOR. Because I think they know they couldn't win the election.

The CHAIRMAN. And because they were getting \$500 in payment, too.

Mr. MACGREGOR. I don't think they are getting it.

The CHAIRMAN. They have been getting it.

Mr. MACGREGOR. Maybe they have. But nobody showed me that that \$500 went to the union.

The CHAIRMAN. Where did it go?

Mr. MACGREGOR. I don't know.

The CHAIRMAN. And you didn't care?

Mr. MACGREGOR. That is right.

The CHAIRMAN. Do you expect us to believe that? That is your attitude. We are finding some of them in the business circles, too. If that is the way you want to leave the record, leave it that way.

Proceed.

Mr. KENNEDY. I would like to say, Mr. Chairman, that he gave a different answer when he filled out his affidavit.

The CHAIRMAN. Read the affidavit to him.

Mr. KENNEDY. Paragraph 3.

The CHAIRMAN. Present it to the witness. Let me ask him if that is his signature.

Mr. MACGREGOR. Yes.

The CHAIRMAN. You readily acknowledge it?

Mr. MACGREGOR. Yes, sir.

The CHAIRMAN. I will read paragraph 3:

After I retained Mr. Kamenow, there were no more contacts by Kierdorf or other union organizers. To the best of my memory, Kamenow called me shortly after he was retained, saying he wanted to take some people on a trip to Washington, D. C., saying he thought he could come to some favorable conclusion. It was my understanding that they were union officials, but he did not say so. Sometimes he referred to them as "the boys." I asked him the cost. He said not over \$500, and I agreed. The figure was added to my monthly statement which totaled \$631.99, plus the monthly fee. I do not know how much of this was payment for the trip. He never mentioned the trip again or stated what conclusions were reached.

Is that a correct statement?

Mr. MACGREGOR. That is the statement I made there.

The CHAIRMAN. Is it correct?

Mr. MACGREGOR. Yes, it is correct.

The CHAIRMAN. All right.

Proceed.

Mr. KENNEDY. Then it was your understanding that this entertainment was for union officials.

Mr. MACGREGOR. No, it was not my understanding, and I don't say that in my statement. I said it is an assumption.

Mr. KENNEDY. Would you read that sentence to me?

Mr. MACGREGOR. I am looking for it. I said:

I assumed the entertainment was for union officials, but I do not recall that he said so. I asked for a figure as to what the entertainment would cost, and he gave me one which was satisfactory.

An assumption is not stating that I know it.

Mr. KENNEDY. Could I see that, please?

Mr. MACGREGOR. Yes.

Mr. KENNEDY. Where did you read from?

Mr. MACGREGOR. I believe that second paragraph.

Mr. KENNEDY. We are talking about the third paragraph. Would you read that third paragraph that the chairman just read to you? It is the third paragraph regarding the union officials.

Mr. MACGREGOR.

It was my understanding that they were union officials, but he did not say so.

Mr. KENNEDY.

It was my understanding,

is that what you said?

Mr. MACGREGOR. But he did not say so.

Mr. KENNEDY. But it was your understanding, is that right, that it was union officials?

Mr. MACGREGOR. That was my guess.

Mr. KENNEDY. That is a little different from what you have been testifying to. You recommended other people to retain Mr. Kamenow; did you not?

Mr. MACGREGOR. That is right.

Mr. KENNEDY. And you also said to some of these other people that there would be payments or charges or expenses for entertainment of union officials, but it was worthwhile.

Mr. MACGREGOR. I have told them that there would be entertainment charges. That is what I paid.

Mr. KENNEDY. Did you tell them that there would be entertainment of teamster union officials?

Mr. MACGREGOR. Not that I know of.

Mr. KENNEDY. Do you deny ever saying that?

Mr. MACGREGOR. Yes.

Mr. KENNEDY. You deny saying it?

Mr. MACGREGOR. You say teamster officials?

Mr. KENNEDY. Let's put it first union officials. Didn't you tell others of these individuals that Mr. Kamenow could achieve certain results, but there would be certain charges for entertainment of union officials.

Mr. MACGREGOR. I don't believe so. I said probably that there would be entertainment charges for who would probably be union officials.

The CHAIRMAN. Well, he is near enough.

Mr. KENNEDY. Did you ever arrange to make some purchases for the boys before Christmas? Did Mr. Kamenow speak to you about that?

Mr. MACGREGOR. Yes. On 2 different occasions, I believe, on 2 different year ends, he asked me for a donation toward a present.

Mr. KENNEDY. How much did you give?

Mr. MACGREGOR. \$100 each year.

Mr. KENNEDY. Who did you understand those presents were for?

Mr. MACGREGOR. He said the boys.

Mr. KENNEDY. Who did you understand that to be?

Mr. MACGREGOR. Anyone that he would be doing business with.

Mr. KENNEDY. Just any of his friends?

Mr. MACGREGOR. It could be.

Mr. KENNEDY. They had nothing to do with you?

Mr. MACGREGOR. I couldn't prove that they had anything to do with me. But at the same time, I imagine it was.

Mr. KENNEDY. That is why you paid it, isn't it? Isn't that right?

Mr. MACGREGOR. That is right.

Mr. KENNEDY. Did you understand that the expenditures were for the purpose of staying on good terms with the unions?

Mr. MACGREGOR. That is right.

Mr. KENNEDY. And you haven't been organized; is that right?

Mr. MACGREGOR. No, sir.

Mr. KENNEDY. So do you think the payments have been worth while?

Mr. MACGREGOR. Yes, sir.

Mr. KENNEDY. Do you still have Mr. Kamenow?

Mr. MACGREGOR. That is right.

Mr. KENNEDY. Are you going to continue to have him?

Mr. MACGREGOR. Unless something comes up that we should not.

Mr. KENNEDY. But nothing has come up here all day? You have been very satisfied with him? You will continue to retain him?

Mr. MACGREGOR. Unless something comes up to show we shouldn't.

Mr. KENNEDY. And so far you are very satisfied?

Mr. MACGREGOR. I wouldn't say I was very satisfied. I have learned some things today.

The CHAIRMAN. Do you think this is legitimate?

Mr. MACGREGOR. Yes. The use we have used him on during the past, I think has been.

The CHAIRMAN. And should continue to be legitimate?

Mr. MACGREGOR. That depends on what comes out of your hearings.

The CHAIRMAN. From what has come out, from what you heard, do you think this is a legitimate transaction and should continue to have the sanction of law?

Mr. MACGREGOR. The detail and some of the ramifications that are coming out of this hearing we are all learning things that we have never known before. I am not satisfied with some of the things that I have heard this morning, no, which changes my viewpoint as you go along.

The CHAIRMAN. I hope we will have your support, then, as we proceed.

Senator MUNDT. Mr. Macgregor, did it ever occur to you that you might have been victimized by a couple of high-powered confidence men?

Mr. MACGREGOR. No, I never thought so.

Senator MUNDT. These hearings have been described around the country in the last week or so as a demonstration that there are dishonest unions, and that there have been dishonest management. Maybe that is what happens. I don't know. I read about that in the press while I was home. But on the basis of what I heard this morning, I am not so sure that we are not dealing with either dishonest management or dishonest unions. At least, it occurs to me that there may be a dishonest official by the name of Kierdorf and

maybe a dishonest businessman by the name of Kamenow, who may have worked up a pretty slick racket in Flint, whereby they could sit down and say "Here is the Macgregor Tire Co., here is the Advance Electric Co., here is another one. I will go in as the advance man and I will either throw up a picket line for a couple of days or go in and say 'I have a couple of union cards in my pocket, we are going to unionize you, and I will rattle the sword, and they will fear they will be put out of business.' And then they will come to you and say 'Mr. Kamenow, you have had some experience with these propositions, maybe you can adjudicate these differences.' You make whatever kind of proposition you can. And stick in this \$2,000 or \$5,000 for gratuities and Rose Bowl games, and we will get the money and just cut it down the middle. I will take my part, you take your part and we will let this fellow continue in business."

I think there can be a third hypothesis which is just as easy to demonstrate by the testimony we have had thus far. This is no reflection on management as being dishonest in general. This is no reflection on unions as being dishonest in general. But it is a dishonest fellow using a union title and a dishonest fellow setting himself up as consultant who conceivably have a pretty good racket, such as operated in Flint, and you might have been the victim of it.

Do you think that is out of the possibilities?

Mr. MACGREGOR. It is not out of possibilities, no.

Senator MUNDT. It seems to me that it makes a good deal of sense from what I have heard from some of the witnesses up to now. If the laboring man is satisfied without a union, and management is willing to give them a chance to vote if they wish it, they work out this little triangle. This has been counting up pretty fast, and soon you will have a lot of people at the Rose Bowl. Nobody else will be able to get in. They will all be union officials.

Mr. MACGREGOR. My payments were so small, I thought it would have no influence.

Senator MUNDT. I think you have to give the boys credit for ingenuity. They didn't think about Rose Bowl games all the time. They had fishing trips. Now they have a trip to Washington. That is new in the business. But it is entirely conceivable to me that if there were not so many trips, if this was not a subsidization for the transportation industry, as it may appear, this was just a racket, and a couple of boys, quite regardless of the unions and quite regardless of anybody else, were taking away loot for themselves. Maybe I have been unjust to them. They will be called to testify and asked to explain it. Maybe they can explain it.

On the basis of what I have heard so far, that looks like a pretty plausible hypothesis.

Mr. MACGREGOR. I don't think any employer objects to a union properly conducted and in a properly conducted election.

Senator MUNDT. Apparently nobody wanted to have an election. They just wanted a shakedown.

Mr. KENNEDY. You hadn't even gotten that far, Mr. Macgregor, you were paying \$500 to make sure these people were happy and entertained. You can't put yourself in that class.

Mr. MACGREGOR. I do.

The CHAIRMAN. I submit to you some 3 statements from Labor Relations Associates, 3 original checks in payment of the statements—

4 checks, I believe; 3 statements and 4 checks. I ask you to examine them and state if you identify them. They appear to be the originals.

(Documents handed to witness.)

Mr. MACGREGOR. Yes, I identify them.

The CHAIRMAN. Those statements were rendered to you and those are the checks in payment of the statements?

Mr. MACGREGOR. That is correct.

The CHAIRMAN. They may be made exhibit No. 53-A, B, and C; and the checks will be exhibit 54-A, B, C, and D.

(The documents referred to were marked respectively "Exhibits 53A, B, and C," and "Exhibits 54A, B, C, and D," for reference and will be found in the appendix on pp. 6619-6625.)

The CHAIRMAN. What is your gross business?

Mr. MACGREGOR. Around \$650,000 a year.

The CHAIRMAN. \$650,000?

Mr. MACGREGOR. Yes.

The CHAIRMAN. Thank you very much.

Call your next witness.

Mr. KENNEDY. George Spaulding.

The CHAIRMAN. Mr. Spaulding, come forward, please. You do solemnly swear the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SPAULDING. I do.

TESTIMONY OF GEORGE SPAULDING

The CHAIRMAN. State your name, your place of residence and your business or occupation.

Mr. SPAULDING. My name is George Spaulding. I live at 2922 Circle Drive, Flint. I am assistant general manager for Applegate Chevrolet.

The CHAIRMAN. How long have you been assistant general manager for that company?

Mr. SPAULDING. Six or seven years.

The CHAIRMAN. Do you own an interest in the company?

Mr. SPAULDING. No.

The CHAIRMAN. You are just an employee?

Mr. SPAULDING. Well, I should qualify that.

The CHAIRMAN. First, you waive counsel, do you?

Mr. SPAULDING. Yes, sir.

The CHAIRMAN. All right.

Mr. SPAULDING. Personally I don't have an interest in the company. I should say that.

Senator MUNDT. Let's strip all the mystery off of it. What is your relationship? This is kind of confusing. You do or you don't, or your wife does or does not.

Mr. SPAULDING. Well, it is my wife.

Senator MUNDT. Tell us what it is. You are working for the company and your wife has an interest in it?

Mr. SPAULDING. Yes. She has stock.

The CHAIRMAN. Proceed.

Mr. KENNEDY. In 1954, did you understand there was a national drive being made by unions to organize auto company employees?

Mr. SPAULDING. Yes.

Mr. KENNEDY. And specifically did you understand that the teamsters were interested in doing so?

Mr. SPAULDING. Yes.

Mr. KENNEDY. Did the company approach Mr. George Kamenow of LRA to represent them?

Mr. SPAULDING. Yes.

Mr. KENNEDY. What financial arrangements were made at that time? Were you to pay him \$300 a month?

Mr. SPAULDING. We established a contract with him for a year.

Mr. KENNEDY. For \$300 a month?

Mr. SPAULDING. The total would be so much for each year. It would be so much per month and then a special disbursement or two during the year.

Mr. KENNEDY. A special disbursement or two during the year?

Mr. SPAULDING. Yes.

Mr. KENNEDY. But the flat fee was to be \$300 a month plus these 1 or 2 disbursements, is that right?

Mr. SPAULDING. Yes.

Mr. KENNEDY. Did you understand the disbursements were to be for expenditures for certain of these teamster union officials?

Mr. SPAULDING. Not for teamster union officials, no.

Mr. KENNEDY. Did he originally say the boys?

Mr. SPAULDING. Yes.

Mr. KENNEDY. Did you understand, then, was it your conclusion that the boys were these teamster officials?

Mr. SPAULDING. No, that wasn't my conclusion, and it was not my understanding. I don't know who the boys were, to tell you the truth. I just don't.

Mr. KENNEDY. What did you assume it was? Where did you assume the money was going to?

Mr. SPAULDING. I assumed that probably some of them would be union officials. But I am not assuming that they were all and that all the travel and entertainment was for them. Whenever he called about a special disbursement, my first question was "Is this within our contract which we made for the year?"

And the answer was "Yes." And it always was. It was never over that contract.

Mr. KENNEDY. I understand that. Everybody has that. They either pay \$1,800 or \$500.

The CHAIRMAN. What was your total to be during the year?

Mr. SPAULDING. I believe it was \$5,500 for the first year.

The CHAIRMAN. \$500?

Mr. SPAULDING. Yes.

The CHAIRMAN. And \$300 a month that was fee, is that correct?

Mr. SPAULDING. We considered the whole \$5,500 as fee.

The CHAIRMAN. You didn't consider these extra disbursements as fees, did you?

Mr. SPAULDING. Yes, sir.

The CHAIRMAN. You referred to those specifically. The fee was to be \$300 a month, is that correct?

Mr. SPAULDING. Yes, but the whole total fee—

The CHAIRMAN. I understand. You would have outside disbursements over and beyond the fee up to a limit of the 2 of not to exceed \$5,500 a year. Is that correct?

Mr. SPAULDING. Well, what I mean is that I considered the whole thing as a fee.

Mr. KENNEDY. It was \$3,600 a year, and in addition to that, in August of 1954 there was a special expense of \$1,991.90; in May of 1955, it was \$2,003.75; in May of 1956, \$2,000. So it was \$3,600 a year plus those 3 special expenditures bringing the total up to approximately \$5,500 or \$5,600.

The CHAIRMAN. That is what I want to ask the witness. He said he regarded all of it as a fee. I want to know if you had a fee and then had expenses in addition to it or not.

Mr. SPAULDING. Well, we paid the \$300 a month.

The CHAIRMAN. As a fee.

Mr. SPAULDING. You asked me if we considered the whole thing a fee, and I always have, Senator.

The CHAIRMAN. I know, you considered the whole thing, that you were paying that much for whatever protection or service you were getting, that you were obligated to get that much.

Mr. SPAULDING. Yes, sir.

The CHAIRMAN. But you were paying \$300 of this a month as a fee, and so understood it and were so billed, were you not?

Mr. SPAULDING. No, the original agreement was that the fee was \$5,500.

The CHAIRMAN. You paid the bills, didn't you?

Mr. SPAULDING. Our accountant did.

The CHAIRMAN. You approved them?

Mr. SPAULDING. Yes, sir.

The CHAIRMAN. You received the bill. Didn't it say on the face of it "Retainer fee for the month," and so much? Look at it.

Mr. SPAULDING. That is right.

The CHAIRMAN. Then what does it say about disbursements?

Mr. SPAULDING. Well, it would give disbursements for the month.

The CHAIRMAN. All right. As between the two of you, your contract and your whole operation, the bills reflected it and you paid them accordingly?

Mr. SPAULDING. That is right.

The CHAIRMAN. So it was a \$300 a month fee, isn't that correct? Anything above that was disbursements.

Mr. SPAULDING. That is the way it is itemized here.

The CHAIRMAN. That is the way you paid it, isn't that correct?

Mr. SPAULDING. Yes, sir.

The CHAIRMAN. Why do you hesitate to say you paid a \$300 a month fee and then paid these other expenses?

Mr. SPAULDING. Well, I don't know the technical word for it, or anything, but I did consider and still do, that that was our contract, so much for the year.

The CHAIRMAN. Sure it was a contract. It was a contract for \$300 a month for a fee, and then the balance up to \$5,500 for entertainment and so forth. Is that correct?

Mr. SPAULDING. Yes.

The CHAIRMAN. And you were billed accordingly?

Mr. SPAULDING. Yes.

The CHAIRMAN. Will you examine these photostatic copies of checks and invoices or bills, 4 bills and 4 checks, and see if you identify them. (Documents handed to witness.)

The CHAIRMAN. Those are the four bills you received?

Mr. SPAULDING. Yes, sir.

The CHAIRMAN. They may be made exhibits 55A, 55B, 55C, and 55D.

(The documents referred to were marked "Exhibits 55A, 55B, 55C, and 55D" for reference and will be found in the appendix on pp. 6626-6629.)

The CHAIRMAN. Are those the four checks in payment of those bills?

Mr. SPAULDING. Yes, sir.

The CHAIRMAN. They may be made exhibits 56A, 56B, 56C, and 56D.

(The documents referred to were marked "Exhibits 56A, 56B, 56C, and 56D" for reference and will be found in the appendix on pp. 6631-6633.)

Senator MUNDT. Mr. Spaulding, you said early in the procedure you received a letter from the union addressed to your company, indicating that they wanted to organize your salesmen?

Mr. SPAULDING. No, sir; I didn't say that.

Senator MUNDT. Let me ask you, then: Was an attempt made in April 1952 by the local union to organize the salesmen of your company?

Mr. SPAULDING. In 1951 or 1952; yes.

Senator MUNDT. What kind of an attempt was it? Was it in the nature of a letter that the company received? Was there a picket line out in front? Was there a meeting of protest by the salesmen?

Mr. SPAULDING. No; we received a letter, as I recall.

Senator MUNDT. Did Mr. Kierdorf sign that letter?

Mr. SPAULDING. Yes.

Senator MUNDT. The same man whose name we have had mentioned here. It fits into the pattern. The K & K boys, of Michigan, were doing what the B & K boys, of Russia, are doing, only they are doing it on a little more limited scale.

Mr. SPAULDING. Except that that was 3 years before we hired Mr. Kamenow.

Senator MUNDT. That is right. But the letter was the thing that induced you to hire a labor consultant?

Mr. SPAULDING. No.

Senator MUNDT. It was the bronze light, it was the only warning that you had from the union, as I understand it, that you were about to be organized.

Mr. SPAULDING. Well, no. That was in 1951. We didn't make our first contract with Labor Relations Associates until 1954.

Senator MUNDT. That is true. In 1951 you got the letter from Mr. Kierdorf. Did anything happen laborwise in 1952?

Mr. SPAULDING. No, sir.

Senator MUNDT. Did anything happen in 1953?

Mr. SPAULDING. No, sir.

Senator MUNDT. By 1953 the rumor had gotten out that other people were getting these letters, and in 1954 that the national drive

was coming up to organize auto company employees in the city of Flint; is that right?

MR. SPAULDING. Well, we were warned through various trade organizations which we belong to that there has been an announced drive nationally, and to do everything you could to get your house in order, which we have done and which we did do. So we were also advised through those associations to get competent legal advice, which we did. I would like to say that every year when we made our contract, I asked Mr. Kamenow 2 or 3 questions. One is: Is there any bribery, and, No. 2, Is there any payoff?

The answer was "No." The third one was, Is this legal? and he said "Yes." As far as we could see, that is how we got into the thing. It wasn't anything—we had no labor trouble at the time. We hadn't had and we haven't had since.

Senator MUNDT. Had you had any other indications from outside your plant or inside your plant that they might be going to include your particular Chevrolet garage other than that original letter from Mr. Kierdorf?

MR. SPAULDING. No, sir.

Senator MUNDT. That was the only direct indication you had?

MR. SPAULDING. That is correct.

Senator MUNDT. Either from outside the plant or inside the plant?

MR. SPAULDING. That is correct.

Senator MUNDT. The rest of your concern grew out of what you heard in your trade associations and your general knowledge?

MR. SPAULDING. That is right.

Senator MUNDT. And you went to the lawyer and the lawyer suggested that you get a labor consultant. You heard about this particular concern from other businessmen in Flint, I suppose, who had been using them?

MR. SPAULDING. Flint and Detroit both; yes.

MR. KENNEDY. Has Mr. Kamenow been placed in charge of all consciences and morality in the city of Flint, that you have to go to him and ask him if something is wrong? You say Mr. Kamenow said it was perfectly all right to spend \$2,000 a year to entertain union officials. That makes it all right, does it, because Mr. Kamenow said it was all right?

MR. SPAULDING. No. 1, in Michigan it is a little bit different than automobile dealers in other States. We are not under interstate commerce. The Michigan law, as you heard this morning, is a little bit different than other states. It is a local thing. We hired him as a labor counselor and adviser because that is a specialized field, and we are not a specialist in that, any more than we are an attorney or accountant in tax matters.

Senator MUNDT. But you don't need somebody to tell you what is right or what is wrong when you spend \$2,000 every year to entertain union officials to avoid unionization. You don't have to have some one around you to tell you whether that is right or wrong, or read it in a lawbook. You don't have any thoughts on that?

MR. SPAULDING. Well, I do; yes. He has performed definite services, as I stated, as a labor counselor and as adviser. He has helped on such things as workmen's benefits and workmen's conditions, cost-of-living adjustments.

Senator MUNDT. I am not talking about that. That would be fine. All I am talking about is the \$2,000 that you spent every year for

this purpose. In explanation, you said Mr. Kamenow said it was all right, that there was nothing wrong, it did not involve bribery, and you were not doing anything illegal.

All I say is that you should have known or must have known yourself whether that is right or wrong. You were spending \$2,000 each year in addition to the regular fee to avoid having any difficulty or having any trouble with the union, to entertain union officials who were not then even representing your employees.

Mr. SPAULDING. I will say that perhaps we did rely on the judgment of many firms who were well known to all of us, that have fine reputations for honesty and integrity. They also, I am sure, would not do anything wrong. I have not done anything knowingly wrong. If there is something wrong with hiring labor counselors, we will be the first ones to get out.

Senator MUNDT. That is not the point. You know that.

The CHAIRMAN. Just a moment. There is nothing wrong in hiring labor counsels, hiring lawyers, hiring accountants. There is nothing in the world wrong with that. But I cannot conceive that anyone can conclude that it is not wrong to pay off union officials to get them to lay off.

Do you think it is right or wrong to do that?

Mr. SPAULDING. I would say it would be wrong to pay off union officials.

The CHAIRMAN. That is what is involved here.

Mr. KENNEDY. Did he speak to you at all about getting any specific gifts for these individuals?

Mr. SPAULDING. Well, there was that same instance——

Mr. KENNEDY. Christmas of 1956?

Mr. SPAULDING. That the previous witness brought up.

Mr. KENNEDY. Do you mean when Mr. Kamenow came by with his car with a portable television set?

Mr. SPAULDING. He didn't come by. He called me and told me about it.

Mr. KENNEDY. What did Mr. Kamenow say to you?

Mr. SPAULDING. He said he was buying some Christmas presents. I said, "Does the amount come under our contract for the year?"

Mr. KENNEDY. So what gifts was he going to get?

Mr. SPAULDING. It did come under that blanket contract for the year. He was getting television sets.

Mr. KENNEDY. About 4 or 5 televisions sets?

Mr. SPAULDING. Yes.

Mr. KENNEDY. For Christmas of 1956; is that right?

Mr. SPAULDING. Yes.

Mr. KENNEDY. Was that for these same individuals, for the boys?

Mr. SPAULDING. Yes.

Mr. KENNEDY. Did you understand at that time that it was for these union officials?

Mr. SPAULDING. No.

Mr. KENNEDY. Who did you think he was giving the television sets to at your expense?

Mr. SPAULDING. I didn't give it that much thought.

Mr. KENNEDY. My gosh. You didn't give it any thought? You just got 4 or 5 television sets and paid for them for somebody that you didn't know?

Mr. SPAULDING. Well, it isn't as bad as that. We had a certain amount for the year that we paid.

Mr. KENNEDY. I know. Don't keep saying that.

Mr. SPAULDING. As long as it came under that, that is what I was concerned with.

The CHAIRMAN. You mean you didn't care what he did? If he bribed someone with it, you didn't care?

Mr. SPAULDING. No, I always checked on that. I was informed that there was no bribery and no payoff.

The CHAIRMAN. Have you some word for it other than that? If these things were being given to union officials to keep them from organizing your plant, have you got any other word for it?

The record remains silent. Proceed.

Mr. KENNEDY. Did he tell you that these payments that he was making, these disbursements, were to take the boys on a trip to the west coast, to take them on a fishing trip to Canada and a trip to New York? Did he tell you all those things?

Mr. SPAULDING. Yes, sir.

Mr. KENNEDY. Did you understand that these were union officials that he was taking on these trips?

Mr. SPAULDING. I didn't understand that they were; no.

Mr. KENNEDY. Who did you think they were?

Mr. SPAULDING. I assumed some of them were, but as we said earlier, I don't know that they all were.

Mr. KENNEDY. Who else did you think he was taking on the trip?

Mr. SPAULDING. Well, running his office, probably some of his own help, for instance.

Mr. KENNEDY. You wanted to entertain his own help? Is that what you were paying for, so that he could take his help on a fishing trip to Canada?

Mr. SPAULDING. I just point that out that that is who it could be.

Mr. KENNEDY. I don't think it could be. How would he want to take his help on a fishing trip to Canada and charge the Applegate Chevrolet Co.? The record remains silent on this, too?

Mr. SPAULDING. Well, I didn't think you asked me a question there. I thought you made a statement. I am sorry.

Would you repeat it?

Mr. KENNEDY. I am trying to find out who he would be taking on a trip to New York, a trip to the west coast, and a fishing trip to Canada, if it wasn't union officials.

Mr. SPAULDING. Well, I don't know. Actually, I am telling you the truth when I say actually I don't know who went on those trips.

Mr. KENNEDY. Don't you presume they were union officials?

Mr. SPAULDING. Yes, I did admit I assumed some of them were.

Mr. KENNEDY. And the purpose of the trip and taking them on these trips and buying them portable television sets was to keep them happy, was it not?

Mr. SPAULDING. Well, that was never discussed.

Mr. KENNEDY. Wasn't that the purpose of it?

Mr. SPAULDING. That is a possibility.

Mr. KENNEDY. Wasn't that the purpose of it?

Mr. SPAULDING. I think it would be far better relations; yes.

Mr. KENNEDY. And the reason of keeping them happy, in view of the fact that you didn't have a contract with them, was to keep them out of your shop, was it not, so that they wouldn't organize?

Mr. SPAULDING. Well, I don't know——

Mr. KENNEDY. Wasn't that the purpose?

Mr. SPAULDING. We hired Mr. Kamenow not to keep it out, but to inform us and to keep us advised——

Mr. KENNEDY. I understand that. But the purpose of the expenditures made was to keep the union officials happy, and the union officials to be happy would be staying out of your shop, would they not? They never did come near your shop.

Mr. SPAULDING. Well, they haven't been in our shop; no.

Mr. KENNEDY. Wasn't that the purpose?

Mr. SPAULDING. That was never discussed, as I said.

Mr. KENNEDY. I don't care whether it was discussed. Wasn't that the purpose?

Mr. SPAULDING. I couldn't say that it was the purpose, no, that those trips were to keep them out of our shop. That might be the result, but I don't know if that was the purpose.

The CHAIRMAN. Do you want to state what the purpose was?

Mr. SPAULDING. We paid so much money per year.

The CHAIRMAN. We know that. For what purpose?

Mr. SPAULDING. To assist us in labor counseling and advice.

The CHAIRMAN. And part of that counseling and advice was to entertain the union officials very lavishly?

Mr. SPAULDING. We thought that to have this counseling advice, it was a good investment to have it so that we would be doing the right thing instead of waiting too long and having the employees seek somebody else to have us do the right thing.

The CHAIRMAN. In other words, to keep the employees from seeking someone else, you hired a labor consultant so that he could consult with this particular union and entertain the employees so that you wouldn't have a union?

Mr. SPAULDING. No. He could keep us abreast of the affairs, Senator.

The CHAIRMAN. What did he keep you abreast of?

Mr. SPAULDING. Of things that happened in Lansing, of the benefits, working conditions. We are an industrial town, and to assist on cost-of-living and that sort of thing, increases, fringe benefits.

The CHAIRMAN. Couldn't he find all that out without spending \$2,000 a year in entertaining union officials? That is what we are talking about, not the \$300 a month.

Mr. SPAULDING. Well, it probably could have been done: yes.

Senator MUNDT. Let me ask you this: I would think one of the tests of whether you were trying to keep unions out of your shop in connection with this procedure is whether or not there was any demand on the part of the men in your shop for a union. If they were trying to get a union in, and you were paying Mr. Kamenow to keep a union out, then I think you were engaged in a rather reprehensible business if, in turn, he was going to the top members of the union and giving them trips or television sets or gratuities to sell out the people in your shop.

What kind of effort was made in this period of 3 or 4 years by the men in your shop to bring in a union? What were you doing to try to keep a union out?

Mr. SPAULDING. There was absolutely no attempt, to my knowledge.

Senator MUNDT. You say under oath that in this whole period the employees, about whom we are all expressing some concern this afternoon, were making no effort whatsoever to have a union?

Mr. SPAULDING. That is right.

Senator MUNDT. Any attempt to have a union in the shop was completely an outside effort on the part of labor officials interested in dues instead of laboring people interested in wages?

Mr. SPAULDING. Well, there was no attempt from any source of unionization in our plant.

Senator MUNDT. Just that one letter that you had?

Mr. SPAULDING. Yes, sir.

Senator MUNDT. There was no attempt on the part of the men working for you?

Mr. SPAULDING. No, sir.

Senator MUNDT. No manifestations of dissatisfaction; no request for a bargaining vote; no request for a contract; no request to bring in outsiders to help them organize?

Mr. SPAULDING. No, sir.

Senator MUNDT. No attempt made from the other side?

Mr. SPAULDING. Not to my knowledge.

Senator MUNDT. It is beginning to look to me like a racket somebody is engaged in in Flint, Mich. I can't understand. The men who work—if they have no interest in the union, I suppose you could argue just as well that you are protecting them against a surcharge in the form of a union tax or union dues which they would have to pay which they didn't want to pay.

If you are going to accept the theory that they are happy without being in a union, that they don't want a union, maybe you are spending this to keep them from having their pay envelopes cut by union dues, or maybe you were just caught by the "K. & K." boys.

By the way, they let the competitor, the Ford agency, off a lot cheaper than you. I don't know if you are a big outfit or not.

Mr. SPAULDING. I believe we sell a few more cars.

Senator MUNDT. Maybe they adjusted it to the ability of the patron.

The CHAIRMAN. How many employees do you have?

Mr. SPAULDING. 155.

The CHAIRMAN. What is your annual gross business?

Mr. SPAULDING. Could I preface my remarks on our gross annual business? We are in a peculiar industry in that we do a big volume of sales, but not too much is retained as profit.

Our total sales in those 3 years—well, they fluctuated each year from \$9 million to \$15 million.

The CHAIRMAN. \$9 million to \$15 million?

Mr. SPAULDING. Yes.

The CHAIRMAN. You were a little bigger game than some of the others?

Mr. KENNEDY. And between April of 1954, Mr. Chairman, and December 31, 1956, the company paid in fees \$5,700, and for enter-

tainment, \$6,485.64, making a total of \$12,185.64 as of December 31, 1956.

I understand you still have retained them, have you not?

Mr. SPAULDING. On an individual basis.

Mr. KENNEDY. Mr. Kamenow?

Mr. SPAULDING. Yes, sir.

Mr. KENNEDY. Did Mr. Kamenow come and talk to you and say he was breaking away from Mr. Shefferman?

Mr. SPAULDING. Yes.

Mr. KENNEDY. For what reason did he tell you he was breaking away from Mr. Shefferman?

Mr. SPAULDING. He said that some things had happened that he did not approve and, therefore, he was withdrawing from LRA.

Mr. KENNEDY. Mr. Shefferman was doing things that he didn't approve of, so he was going to disassociate himself; is that right?

Mr. SPAULDING. Did I say Mr. Shefferman when I read that? I said he said there was testimony, and it came out in front of the Senate committee, of some things which had happened which he did not approve and, therefore, he was withdrawing from LRA. Could I make one point on this expense?

The CHAIRMAN. Yes.

Mr. SPAULDING. That is a lot of money when you are talking about \$2,000 and so on. I agree with you. Of that figure, to give you an idea of our total expenses, the total amount we paid for that year compared to our total expenses, it is 0.001 percent of our total expenses.

The CHAIRMAN. That doesn't mean anything. The question is whether \$2,000, though you might have taken in \$9 billion or \$15 billion—the question is whether the \$2,000 was a legitimate, honest business expense, or if it was a bit shady.

Mr. SPAULDING. I see that question. But I also would like to say that it compared favorably with what we pay for accounting and legal fees, for yearly fees.

The CHAIRMAN. You could pay that for legitimate labor relations?

Mr. SPAULDING. Yes, sir.

The CHAIRMAN. You could also pay it, as it appears to me that you did, for some labor relations that were not of a very bright color.

Thank you very much. Call the next witness.

Mr. KENNEDY. Could I ask you something before you leave?

Are you planning to continue the services of Mr. Kamenow?

Mr. SPAULDING. Well, for the time being. I would like to get back and discuss it with the company. I couldn't answer that myself.

Mr. KENNEDY. But so far there is nothing—

Mr. SPAULDING. No, I wouldn't say that. It is going to come up for discussion. I would like to leave it that way.

The CHAIRMAN. Think about it on your way home.

Mr. Kennedy, call your next witness.

Mr. KENNEDY. Mr. Albert R. Thrower.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. THROWER. I do.

TESTIMONY OF ALBERT R. THROWER

The CHAIRMAN. State your name and place of residence and your business or occupation.

Mr. THROWER. Albert R. Thrower, of Albert R. Thrower, Inc., and I live in Flint, Mich.

The CHAIRMAN. You waive counsel?

Mr. THROWER. Yes; I do.

Mr. KENNEDY. You are president of Albert R. Thrower, Inc.?

Mr. THROWER. That is correct.

Mr. KENNEDY. That is a company that does residential building; is that right?

Mr. THROWER. That is correct.

Mr. KENNEDY. You were, in the summer of 1954, vice president of the Kelly Development Co.?

Mr. THROWER. That is correct.

Mr. KENNEDY. That was also engaged in residential construction?

Mr. THROWER. Yes, sir.

Mr. KENNEDY. You were doing some work in a housing development in the summer of 1954?

Mr. THROWER. That is correct.

Mr. KENNEDY. And you were using, as I understand it, nonunion carpenters; is that right?

Mr. THROWER. Yes, sir.

Mr. KENNEDY. Did the carpenters begin to picket your work that you were doing?

Mr. THROWER. We were picketed, I believe, in June of 1954.

Mr. KENNEDY. And did one of the officials or one of the individuals who had an interest in your company suggest that you contact and retain George Kamenow?

Mr. THROWER. Yes, sir.

Mr. KENNEDY. Did you make a contact with Mr. Kamenow?

Mr. THROWER. Yes, sir; we did.

Mr. KENNEDY. And you had a conference with him?

Mr. THROWER. We had several conferences with Mr. Kamenow.

Mr. KENNEDY. You and who else?

Mr. THROWER. Myself and Maynard Wimble and Madge Manley and Ray Kelly, all officers of the corporation.

Mr. KENNEDY. Did he tell you at that time that his retainer fee would be \$100 a month?

Mr. THROWER. \$100 a month.

Mr. KENNEDY. And did he discuss with you the advisability of getting the teamsters to come through the carpenters' picket line?

Mr. THROWER. Yes, sir.

Mr. KENNEDY. Did he say the strike would be broken if he could accomplish that?

Mr. THROWER. We knew that the strike would be broken if we could get materials into our project.

Mr. KENNEDY. And did he indicate to you that he could accomplish that, and he could get the teamsters to come through the carpenters' picket line?

Mr. THROWER. Yes, sir.

Mr. KENNEDY. Did he tell you that that would need a special fee, in addition to the \$100 a month?

MR. THROWER. That there would be expenses in addition to the \$100 a month.

MR. KENNEDY. And did he tell you that he wanted \$2,000 in cash, as well as a \$2,000 check to accomplish that?

MR. THROWER. That is correct, sir.

MR. KENNEDY. Did the officials of the company agree to make that expenditure to Mr. Kamenow?

MR. THROWER. Yes, sir.

MR. KENNEDY. For that purpose?

MR. THROWER. Yes, sir.

MR. KENNEDY. And the \$2,000 in cash was to be passed on to certain of the teamster union officials?

MR. THROWER. It was told to us that the \$2,000 would be passed on to teamster officials; that is right.

MR. KENNEDY. You accepted his terms, and he was subsequently given an envelope with the \$2,000 in cash?

MR. THROWER. Yes, sir.

MR. KENNEDY. Did he subsequently report to you that he had had the conferences and the conversations with the teamster union officials, but that the rank-and-file members of the teamster organization refused to go through the picket line?

MR. THROWER. I gathered, from my conversations, that the rank-and-file members would not go through the carpenters' picket line.

MR. KENNEDY. Although the officials agreed to make this arrangement, the rank-and-file members refused to go through the picket line?

MR. THROWER. That is correct.

MR. KENNEDY. And so the strike continued; is that right?

MR. THROWER. That is correct.

MR. KENNEDY. So, you made the expenditure to no avail?

MR. THROWER. To no avail that I could see.

MR. KENNEDY. You paid \$100 a month plus the \$4,000, and nothing was accomplished because the rank-and-file members of the teamsters union refused or wanted to honor the picket line?

MR. THROWER. That is correct.

THE CHAIRMAN. Did you get your money back?

MR. THROWER. I didn't ask for the money back.

THE CHAIRMAN. You just had an experience?

MR. THROWER. Yes, sir.

THE CHAIRMAN. Well, I don't know what the circumstances were, but it is surely to the credit of the rank-and-file members. I am not saying the strike was justified or not, but I say it is to their credit. I don't know whether they knew that their officials were getting money on the side or not, but, if they did, I think they were fully justified, right to strike or no right to strike, when they refused to honor it just simply because a few of their officials were paid off. I certainly commend them.

MR. THROWER. Well, I don't know that the teamster officials were paid off.

THE CHAIRMAN. Neither do I, but you gave the money for that purpose?

MR. THROWER. That is correct.

THE CHAIRMAN. I assume they got a little of it, maybe. I don't know.

Mr. KENNEDY. Mr. Chairman, Mr. Langenbacher has secured the checks involved in this transaction.

The CHAIRMAN. I understand \$2,000 of it was cash.

Mr. LANGENBACHER. I have the check used to obtain the money, and one check made directly to Labor Relations Associates.

The CHAIRMAN. I present to you, Mr. Thrower, one statement from Labor Relations Associates and ask you to examine it and state if you recognize it. It is a photostatic copy of it, together with the check No. 1223, which appears to have been issued in payment to Labor Relations Associates.

I ask you to examine that photostatic copy of the check and statement and see if you identify them. Then I present to you another check in the amount of \$2,000, apparently a check to get cash, made to the Merchants & Mechanics Bank, for \$2,000. I ask you to examine it and see if you identify it.

(The documents were handed to the witness.)

Mr. THROWER. I couldn't identify the checks. I have never seen the checks before.

The CHAIRMAN. Can you identify the statement?

Mr. THROWER. No, I didn't O. K. the statement, and I don't think that I ever saw it, sir.

The CHAIRMAN. According to your own knowledge, do those documents reflect the transaction about which you have been testifying?

Mr. THROWER. Yes, sir.

The CHAIRMAN. Then they may be made exhibits Nos. 57-A, -B, and -C.

(The documents referred to were marked "Exhibits Nos. 57-A, 57-B, and 57-C," inclusive, for reference and will be found in the appendix on pp. 6634-6636.)

Mr. KENNEDY. Now I have a couple of final questions.

Did it ever occur to you, Mr. Thrower, that there was anything wrong in paying this money for this purpose?

Mr. THROWER. Yes, sir; it occurred to me that there was something wrong in paying this money. I was not in charge of this transaction at the time, but I think under the circumstances I might have handled it the same way, however.

Our carpenters were not interested in being organized. There had been pickets and goons that ran through our project and beat up the carpenters, and we had had so much trouble that we were grasping for straws and looking for a way out. We had no recourse through the local authorities nor the courts. We would try anything at that time.

The CHAIRMAN. That is the way I would like for you businessmen to talk, to come in here and tell the facts.

Mr. THROWER. That is exactly what happened.

The CHAIRMAN. You felt you were driven to a situation where you had to do something.

Mr. THROWER. That is correct.

Mr. KENNEDY. I might say about Mr. Thrower, not passing on the merits as to what he did, that since the beginning Mr. Thrower has cooperated with the investigators and he has told them a complete story.

The CHAIRMAN. Sometimes people are driven to do something wrong, that they know morally is wrong, but to do it is possibly the less of two alternatives.

Mr. THROWER. When you have the alternative of going out of business or doing something, you will do something before you go out anyway, and you will attempt it.

The CHAIRMAN. I think that is the way to state it.

Thank you very much.

Mr. KENNEDY. It doesn't, however, justify it, Mr. Chairman.

The CHAIRMAN. I don't say it justifies it, but one gets under pressure and one does some things that are wrong sometimes. That isn't justifying it, but I am saying that there are differences and degrees in these things. Some folks go out and voluntarily make some arrangements to keep a union out of their plant and they will pay off officials, or anything else.

Another may do it when he gets desperate, when he is in a desperate situation, and it is the only way to save his business.

Mr. THROWER. I think that if we could have had an honest election of our carpenters that they would not have gone into the union, and they had no desire to go into the union. Because we finally signed a contract with the union through our attorney and not through Labor Relations, we had to pay the carpenters' fees, initiation fees, and their dues in order to have them go into the union at the time.

The CHAIRMAN. Is there anything further?

We didn't get your volume of business. May I get that first? What volume of business were you doing?

Mr. THROWER. When I was with Kelly Development, I think we did about \$2 million that year.

The CHAIRMAN. How many employees did you have?

Mr. THROWER. Well directly, we would only have about five employees, and we operated under a subcontract basis.

TESTIMONY OF IRWIN LANGENBACHER—Resumed

Senator MUNDT. I would like to ask our assistant counsel whether he has examined the books of Mr. Kamenow, and whether there is any indication that he paid this \$2,000 to the teamster officials.

Mr. LANGENBACHER. The \$2,000 does not appear on the books, and that is the \$2,000 that was paid in cash. Now, the other \$2,000 was paid to Labor Relations Associates, and charged as an expense by Mr. Kamenow.

Senator MUNDT. Is there any indication that he in turn tried to bribe these teamster officials to go through the picket line?

Mr. LANGENBACHER. No, sir.

Mr. KENNEDY. We are going to have them testify.

Mr. LANGENBACHER. I thought you were speaking of this Kelly Development Co.

Senator MUNDT. I wondered whether this \$2,000 on the books was transferred or charged to teamster officials as the evidence suggests.

Mr. LANGENBACHER. Not this particular \$2,000. We do have some other evidence on the subject, about the fishing trips to Canada and such, which will be brought up later.

Senator MUNDT. Not on this specific point?

Mr. LANGENBACHER. Not on that specific point.

The CHAIRMAN. The books do not reflect the \$2,000 in cash at all.

Mr. LANGENBACHER. No, sir; not the books of Labor Relations Associates, and they reflect the other \$2,000.

The CHAIRMAN. The \$2,000 even?

Mr. LANGENBACHER. Yes, sir.

The CHAIRMAN. I think the check is for a little more than that.

Mr. LANGENBACHER. Each month there is some additional expense for telephone calls and so on, and that is added to the \$2,000 which makes up the odd amount.

The CHAIRMAN. I see.

Is there anything further?

Mr. KENNEDY. On this transaction, on the \$2,000 transaction, as well as some of these other transactions, we will go into in greater detail, and whatever other information we have, when some of these union officials testify themselves.

The CHAIRMAN. Thank you.

The committee will take a 5-minute recess.

(A short recess was taken.)

The CHAIRMAN. We will proceed.

Mr. WAGNER, will you come forward, please?

Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. WAGNER. I do.

TESTIMONY OF GARFIELD WAGNER, ACCOMPANIED BY HIS COUNSEL, HOWARD KLEIN

The CHAIRMAN. State your name, your place of residence and your business or occupation.

Mr. WAGNER. Garfield Wagner. I live at 6136 South Belsey Road, Grand Blanc, Mich. My occupation is McDonald Cooperative Dairy and I am assistant general manager.

The CHAIRMAN. How long have you been in that capacity?

Mr. WAGNER. About 12 years.

The CHAIRMAN. You have counsel with you?

Mr. WAGNER. Yes, sir.

The CHAIRMAN. Identify yourself for the record, Mr. Counsel.

Mr. KLEIN. My name is Howard Klein, Michigan; the office is 1006 Foundation Building, in Flint, Mich.

Mr. KENNEDY. How many employees do you have at the McDonald Cooperative Dairy?

Mr. WAGNER. You mean now?

Mr. KENNEDY. In 1956.

Mr. WAGNER. Not quite 400.

Mr. KENNEDY. Had they had since about 1946 or 1947 an independent union in there?

Mr. WAGNER. Yes.

Mr. KENNEDY. Did that cover all of the employees?

Mr. WAGNER. No.

Mr. KENNEDY. What did it cover?

Mr. WAGNER. The two plants in Flint.

Mr. KENNEDY. How many were in those two plants?

Mr. WAGNER. Approximately 200.

Mr. KENNEDY. That was an independent union established by them?

Mr. WAGNER. Yes, sir.

Mr. KENNEDY. Now, near the close of 1955 did the CIO and AFL begin an organizational drive?

Mr. WAGNER. Yes, sir.

Mr. KENNEDY. Did you hear from Mr. MacGregor and certain other people that LRA could be helpful?

Mr. WAGNER. That is right.

Mr. KENNEDY. What did Mr. MacGregor tell you at that time?

Mr. WAGNER. He just told me the man's name and that was all.

Mr. KENNEDY. Mr. George Kamenow?

Mr. WAGNER. That is right.

Mr. KENNEDY. Did you go to see Mr. Kamenow?

Mr. WAGNER. I think that I called him on the phone and he came up to Flint.

Mr. KENNEDY. You met with him?

Mr. WAGNER. Yes, sir.

Mr. KENNEDY. Did you discuss at that time what fees would be paid, what his charges were?

Mr. WAGNER. I don't remember if that was the first visit or not.

Mr. KENNEDY. Well, subsequently?

Mr. WAGNER. Yes, we did.

Mr. KENNEDY. Did you arrange to pay a fee of \$200 a month plus expenses?

Mr. WAGNER. Not at that time; no, sir.

Mr. KENNEDY. Originally was it per diem, and later changed to \$200?

Mr. WAGNER. A per diem cost plus expenses, and later changed to \$200 a month and expenses.

Mr. KENNEDY. From the latter part of 1955 to about June of 1956, it was per diem, plus expenses, and from June 1956 on it was \$200 per month plus expenses?

Mr. WAGNER. Yes, sir.

Mr. KENNEDY. Now, did he explain that any of these expenses would have to be used or any of these disbursements would be used to entertain union officials?

Mr. WAGNER. No, sir.

Mr. KENNEDY. Did you ever hear anything about that at all?

Mr. WAGNER. Not at that time; no.

Mr. KENNEDY. Now, an election was held in 1957?

Mr. WAGNER. Yes, sir.

Mr. KENNEDY. The day before that election the teamsters pulled out; is that correct?

Mr. WAGNER. Yes, sir.

Mr. KENNEDY. They decided not to go ahead?

Mr. WAGNER. They asked the Labor Board to strike their name from the ballot.

Senator MUNDT. Who acted for the teamsters in that capacity?

Mr. WAGNER. I don't know.

Senator MUNDT. How do you know it was done?

Mr. WAGNER. They sent me a telegram, the State labor board did. The State labor board sent me a copy of the telegram.

The CHAIRMAN. I present to you the original telegram, I think, to which you have referred. Will you please identify it?

(The document was handed to the witness)

Mr. WAGNER. Yes, sir.

The CHAIRMAN. Will you read it into the record, please?

Mr. WAGNER (reading):

DETROIT, MICH., 4 p. m.

To: Manager McDonald Cooperative Dairy.

Please be advised that Teamster Local 332, AFL, has withdrawn from the election to be conducted tomorrow, March 7, 1957, at McDonald Dairy. Therefore, the following will appear on the ballot in rotation order: Independent Dairy Workers Association, Retail Wholesale & Department Store Union, and the United Dairy Workers Local 383, CIO, and no union.

LEONARD BENNETT,

Election Supervisor, State Mediation Board.

The CHAIRMAN. From the State mediation board?

Mr. WAGNER. Yes, we had had hearings with the State mediation board on this.

The CHAIRMAN. In the meantime, the teamsters withdrew through the State mediation board or did you get a separate telegram from them?

Mr. WAGNER. No, through the State labor mediation board.

The CHAIRMAN. It advised you that the teamsters had withdrawn?

Mr. WAGNER. That is right.

The CHAIRMAN. And that its name would not appear on the ballot?

Mr. WAGNER. That is right.

The CHAIRMAN. Proceed.

That telegram may be made exhibit No. 58.

(The document referred to was marked "Exhibit No. 58" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. What was the result of the election?

Mr. WAGNER. Just a minute, please.

Mr. KENNEDY. Who won the election?

Mr. WAGNER. The independent union.

The CHAIRMAN. Is that the same union that had been there all the time?

Mr. WAGNER. Yes, sir. Well earlier in our history we did have the teamsters, back in 1937 or 1941; someplace in there.

Mr. KENNEDY. On the bills that Mr. Kamenow submitted, he has items here for disbursements. For instance, starting November 30, 1955, the fee is \$625, and disbursements are \$141. Then in December of 1955 the disbursements go up to \$498.

In January, disbursements are \$331. What was he doing with those disbursements?

Mr. WAGNER. I don't know.

Mr. KENNEDY. Didn't you try to find out?

Mr. WAGNER. I don't now which one of those invoices I tried to find out, but there is one that is much higher than that. The one that was higher than that, I tried to find out and didn't.

Mr. KENNEDY. Did he tell you how he was spending the money?

Mr. WAGNER. No. He showed me a photostatic copy of the ledger out of either his office or Chicago. I don't know which.

Mr. KENNEDY. You could find out from him quickly enough, couldn't you.

Mr. WAGNER. What?

Mr. KENNEDY. Just ask him how he was spending the money, where the money was going?

Mr. WAGNER. I asked for the actual expense record. I just didn't ask the general question. I said I wanted to see where it was going.

Mr. KENNEDY. He didn't tell you?

Mr. WAGNER. I don't think I asked him to tell me. I asked him to show me the record.

Mr. KENNEDY. Did he show you the record?

Mr. WAGNER. Yes, sir.

Mr. KENNEDY. Were you satisfied?

Mr. WAGNER. Not completely, but I was satisfied that they kept very detailed records, telephone calls, long-distance calls, mileage.

Mr. KENNEDY. According to his records that we have examined, the disbursements were for entertainment and gifts for union officials. We have these records here. For instance: May 30, 1956, \$205, entertainment, fishing, union.

June 1, 2, and 3, entertainment, \$525 for a trip for union officials; June 17, \$51.70, baseball game, union officials; July 15, \$125.50, entertainment, union officials.

Mr. WAGNER. Senator, I only asked that—the second invoice I received from him, I asked him to show me the expenditures. After that, I had a little better breakdown on the original statement that he sent me, and at that time I deducted something that was on there. I think he had a Christmas gift, and I didn't want any part of that, and I deducted it. He didn't object.

Mr. KENNEDY. Was that \$150?

Mr. WAGNER. Well, yes; that was the deduction.

Mr. KENNEDY. Then shortly after that for Christmas he has a charge of \$400.

Mr. WAGNER. I didn't check all the statements like I did that one.

Mr. KENNEDY. I don't understand. You continued to pay all of the disbursements.

Mr. WAGNER. That is true.

Mr. KENNEDY. For instance, here in September of 1956, \$673 for disbursements. Do you know what he was doing with this money?

Mr. WAGNER. Not specifically; no.

Mr. KENNEDY. Weren't you interested in finding out?

Mr. WAGNER. Well, at the time I think I knew more than about whether the bill was reasonable or not. We were making trips to Detroit, we were making trips to Lansing. He hired an attorney in front of the State labor mediation board. As the statements came in, if they appeared reasonable, I paid them.

Mr. KENNEDY. Disbursements in January 1957, \$779.65. Didn't this concern you at all that you were paying these very high bills and didn't know how the money was being used?

Mr. WAGNER. Well, the per diem arrangements, Senator, were \$200 a day for his services and \$100 a day for lesser personnel, and if he had an attorney with him that was extra. At that rate, with hearing in front of the labor board, and trips to my office and Detroit, \$700 didn't go very far.

Mr. KENNEDY. He had it broken down in his records how he was using the money, and the breakdown shows it was all for entertainment of union officials.

The records show that this was all for the purpose of entertaining and buying gifts for union officials. The total fees for this period of time were \$4,900, and the total disbursements were \$4,249.53 since you retained him at the close of 1955, since the end of 1955 to the end of 1956.

You don't have any explanation of that large disbursement figure?

Mr. WAGNER. No, sir; I don't.

Mr. KENNEDY. Did he tell you it was for union officials, entertainment of union officials?

Mr. WAGNER. No.

Mr. KENNEDY. You just continued to pay it even though he didn't give you any explanation?

Mr. WAGNER. Well, I certainly have paid my bills; yes, sir.

Mr. KENNEDY. Didn't that original breakdown that he gave you show some entertainment for union officials?

Mr. WAGNER. The original breakdown was a sheet of paper that was completely covered with notations of expenditures. I was impressed with the detail of 25- and 30-cent and \$1.25 items. I actually expected that he couldn't produce evidence of these expenditures. I was amazed that they did have a record.

Exactly what was on there in the way of entertainment for union officials, or trips to Flint, I don't recall. The thing that I do recall is that I struck a \$150 item because after that was the words "Christmas gift."

Mr. KENNEDY. As I say, then you had a \$400 item that was for Christmas.

Mr. WAGNER. I never asked him to bring me photostatic copies of the records after the original time because I was satisfied that he kept records.

Mr. KENNEDY. Did you have another LRA employee up there?

Mr. WAGNER. Yes, sir.

Mr. KENNEDY. Mr. Herb Melnick?

Mr. WAGNER. Yes, sir.

Mr. KENNEDY. Did he use an alias while he was up there?

Mr. WAGNER. Yes, sir.

Mr. KENNEDY. Did he use the name "Mellon"?

Mr. WAGNER. Yes, sir.

Mr. KENNEDY. Did he take a survey amongst the employees?

Mr. WAGNER. Yes, sir; some of the employees.

Mr. KENNEDY. Some of the employees to find out what their complaints were?

Mr. WAGNER. Yes, sir.

Mr. KENNEDY. To find out how they felt toward the company?

Mr. WAGNER. Toward the company and toward the union.

Mr. KENNEDY. Did he give you a report on that?

Mr. WAGNER. Yes, sir; I have a written report.

Mr. KENNEDY. Have you got the written report?

Mr. WAGNER. Yes, sir. I might say that we made changes based on that report.

The CHAIRMAN. Does the report have any significance, particularly?

I present to you 15 bills from Labor Relations Associates. Examine them and state if you identify them, please, sir.

(The documents were handed to the witness.)

Mr. WAGNER. Yes, sir; those are the bills.

The CHAIRMAN. They may be made exhibits Nos. 59-A, -B, -C, -D, and so forth.

(The documents referred to were marked "Exhibits Nos. 59-A through 59-O, inclusive," for reference and may be found in the files of the select committee.)

Mr. WAGNER. Do you want the election results? I have them.

The CHAIRMAN. Yes. Give us the election results.

Mr. WAGNER. The election results, parties to said election agreed Association, 122; for the Retail, Wholesale and Department Store Union, United Dairy Workers, Local 338, CIO, 82; for no union, 2. Challenged ballots were 3, and 17 not voting, for a total of 226, certified by Bennett Simms.

Mr. KENNEDY. Do you know why the teamsters pulled out on the last day?

Mr. WAGNER. I don't know why, but I can make an assumption on that. We had the teamsters, as I said, quite a while ago, and in a previously conducted election by the State of Michigan Labor Board the independent union won an election. They were ousted. Then for a long period of time they have constantly been trying to get back in, either the CIO or AFL have, practically yearly, tried to raid the independent union.

We finally got to the point of having this election, and the teamsters felt they weren't going to win. This is where the assumption comes in. They felt that they weren't going to win, and if they withdrew, the independent union would win and later on they could pick off an independent union a lot better than raiding what at top level was supposed to be a merged CIO and AFL situation. They would have had to raid the CIO. That is what I think happened.

Mr. KENNEDY. Did Mr. Kamenow tell you of his friendly relationships with the teamster officials?

Mr. WAGNER. He admitted that he knew people pretty well; that is right.

Mr. KENNEDY. Did he discuss with these officials this matter of their organizing your plant?

Mr. WAGNER. Well, I don't know. At the hearings, of course, we were all there, and there was discussion.

Mr. KENNEDY. But did you understand or know that he was having these discussions and dinners with them on other occasions?

Mr. WAGNER. No.

Mr. KENNEDY: Do you know why it would be so necessary to have all of these disbursements and charges for entertaining these teamster officials?

Mr. WAGNER: Well, I don't know they are teamster officials, and I wouldn't know why it was necessary.

Mr. KENNEDY: What other union officials would there be that would be involved?

Mr. WAGNER: I recall while we were in Lansing that he, I think, took myself and the independent union people. I think he picked up the tab on that and I in turn probably have it on his expense sheet.

Mr. KENNEDY: He was doing a large amount of entertaining of these union officials. Who did he tell you the \$150 Christmas gift—

Mr. WAGNER: He didn't mention any name at all. I didn't ask him. I said, "I am not buying a Christmas present," and I struck it. He never argued about it.

Mr. KENNEDY: You never discussed who it was for?

Mr. WAGNER: No, sir.

The CHAIRMAN: It seems like he put in one bill for \$150 that you struck, and then he slipped another one by you for \$400.

Mr. WAGNER: That is right.

The CHAIRMAN: Plus another one later for \$150?

Mr. WAGNER: I found some things when Mr. Langenbacher showed me the records that got by me.

Mr. KENNEDY: I don't understand if you found him doing it once, that you would not ask for a breakdown of your bills each month, especially when there were these large figures of disbursements.

Mr. WAGNER: There was a lot of activity at our place on unionization. He was there quite often. We were making trips out of town quite often.

As I say, they didn't seem quite so large in view of that. And they were smaller than the one that I checked, by a great deal, I believe. The one I checked was a \$2,000 item and the rest of them ran six or seven hundred dollars.

Mr. KENNEDY: It was a considerable amount of the money, and I would have thought that you would be interested in trying to find out how the money was being spent. But this is all news to you, that this is the way the money went?

Mr. WAGNER: Do you mean right now?

Mr. KENNEDY: Well, since our investigation.

Mr. WAGNER: Since I have been reading the newspapers and everything, I think I am catching up.

Mr. KENNEDY: That is all.

The CHAIRMAN: Thank you very much.

Mr. KENNEDY: Mr. Chairman, I might put into the record the disbursements for entertainment and for purchasing these trips for these nine companies of Flint, Mich. It is a total of \$27,770.47.

The CHAIRMAN: Has the staff member checked that?

TESTIMONY OF IRWIN LANGENBACHER—Resumed

Mr. LANGENBACHER. I computed them, Mr. Chairman.

The CHAIRMAN. State what you have done.

Mr. LANGENBACHER. This tabulation is based both on the records of Labor Relations Associates and the testimony we have had here today, pertaining only to the nine companies who have been represented here today.

It shows through 1956, starting with 1954, the amount spent for entertainment and gifts pertaining to these 9 companies is \$27,770.47.

The CHAIRMAN. That is just for the disbursements, entertainments, and gifts?

Mr. LANGENBACHER. Yes, sir. Made by these 9 companies only.

The CHAIRMAN. That doesn't include the fee, the retainer?

Mr. LANGENBACHER. No, sir. It does not include any of the fee, and it does not include other businesses in Flint, Mich.

The CHAIRMAN. Just for these nine companies?

Mr. LANGENBACHER. Just for these nine companies; yes, sir.

TESTIMONY OF GARFIELD WAGNER, ACCOMPANIED BY HIS COUNSEL, HOWARD KLEIN—Resumed

MR. WAGNER. Mr. Chairman, because of the nature of the milk business and because of the labor atmosphere of Flint, I would just like to say that we have been organized since about 1941 there. The A. F. of L., the independent union, and the CIO have tried to come in. At no time have we done any labor baiting. I don't believe I have ever dismissed a man for trying to organize us or to take the independent union into another place. Our people—as you see, we even had some that voted for no union. Our wage rates are good and our working conditions are good. There is no endeavor on the part of management at that company to do away with the union or to stop a switch in unions.

Senator MUNDT. What was it basically that induced you to employ Mr. Kamenow?

MR. WAGNER. I am glad you brought that out. I forgot it. Basically, I, at one time, thought that the teamsters were going to win, and because they had lost an election, and because they had been outside for 10 or 12 years, I knew that they would negotiate or would try to negotiate, a very, very stiff contract.

In the milk business, with our close margins, and with the competitive situation the way it is, we can't have higher costs than our competitors. Mr. Kamenow furnished me with copies of other dairy contracts. He was able to get me the competing dairy's contract in Flint, which I hadn't been able to do. He rendered me some service. I just didn't want to get stuck with a worse deal than a competitor.

Senator MUNDT. I take it on the whole that you probably are the first witness we have had here today who would say that you got value received from what you paid Mr. Kamenow; is that right?

MR. WAGNER. Well, I am not going to say that, because I am just finding out about some of these expenses. But I would say that he did do some work.

Senator MUNDT. Well, before these hearings began—

MR. WAGNER. That is right. I would say that we worked effectively together.

The CHAIRMAN. What is the volume of your business annually?

MR. WAGNER. Just over \$13 million.

The CHAIRMAN. Is there anything further?

MR. KENNEDY. And he was able to achieve the result for which you hired him, was he not?

MR. WAGNER. It wasn't necessary, because we never had to face the negotiations with the teamsters because the independent union won the election.

MR. KENNEDY. And the teamsters withdrew from the election?

MR. WAGNER. That is not why I hired him.

MR. KENNEDY. But you didn't want to negotiate with the teamsters?

MR. WAGNER. I didn't care whether I negotiated with the teamsters, but when I did, I didn't want to get stuck with a contract that had some vengeance in it, due to being away for 10 years.

MR. KENNEDY. If that was your only purpose, it seems you would have hired him after the teamsters were designated as the bargaining agent, not a year before the election, if that was your only purpose. You wanted to keep the teamsters out of the plant, did you not?

Mr. WAGNER. No. No, that is not the case. I would say this: Mr. Kamenow suggested some tactics that would do that. About 2 years previous to this, we had a strike threat and a strike vote from our independent union. At that time, the company put out a lot of propaganda and everything to avoid the strike. The men voted not to strike, but later on a lot of the fellows came in to see me and said that if we had let them alone we would have had a much better vote than what we got. So this time when there was a question of the CIO, the A. F. of L. and an independent, and if you do business with an independent for 10 years, you will find out that that is a problem, too, after a while, I didn't care whether they went CIO or A. F. of L. or stayed independent, but I did care about what kind of a contract I could get from the A. F. of L. because I knew they were soreheads.

Mr. KENNEDY. I can't understand why you can't admit this. If that is the only reason you hired him, why didn't you hire him after the teamsters were designated as the bargaining agent, not a year before?

Mr. WAGNER. At one time I was sure the teamsters would win. That is why I hired him.

Mr. KENNEDY. All right. You wanted to keep——

Mr. WAGNER. I wanted to make certain that my contract didn't have a lot of bitterness in it.

Mr. KENNEDY. That doesn't make sense, because you would have hired him after they were designated.

Mr. WAGNER. I am sorry.

Senator MUNDT. You have had a lot of experience as a labor-management fellow in a town in which labor is a pretty important factor. Can you think of any legislative suggestions to offer this committee which, if enacted into law, might eliminate the kind of problem that we are wrestling with these days?

Mr. WAGNER. I certainly can. One suggestion is that I think business should have quicker access to the courts rather than be forced to go to labor boards. We had a case in a plant that we have up in Saginaw, and this is a standing practice up there. They always start organizing a plant on Monday afternoon, because the only time the courts will grant an injunction is on Monday mornings. So it gives them a full week to coerce and take care of you before you can get into the courts. When you get there, you don't know what you got. So I would say that if business could have access to the courts, rather than be forced through NLRB or through a State labor board, it would help.

Then, of course, you have just plain, common enforcement of laws where they beat up people and things like that.

SENATOR MUNDT. That is all.

Mr. WAGNER. I might say this: In our business it is a very perishable product. I think certainly there ought to be a ban on secondary boycott.

The CHAIRMAN. Thank you very much.

The committee stands in recess until 10 o'clock in the morning.

(Committee members present at time of recess: Senators McClellan and Mundt.)

(Whereupon, at 4:40 p. m. the committee was recessed, to reconvene at 10 a. m. Tuesday, November 5, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, NOVEMBER 5, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a.m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Karl E. Mundt, Republican, South Dakota.

Also present: Robert F. Kennedy, chief counsel; P. Kenneth O'Donnell, assistant counsel; Irwin Langenbacher, assistant counsel; Pierre Salinger, investigator; Walter Sheridan, investigator; Carmine S. Bellino, accounting consultant; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will come to order.

(Members of the committee present at the convening of the session: Senators McClellan and Mundt.)

The CHAIRMAN. Mr. Kamenow, will you come around, please?

Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KAMENOW. I do.

TESTIMONY OF GEORGE KAMENOW, ACCOMPANIED BY HIS COUNSEL, PAUL J. WIESELBERG

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. KAMENOW. George Kamenow, 32040 Tarreyton, Farmington, Mich.

The CHAIRMAN. Will you give your business or occupation, please, sir?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer. Under the fifth amendment of the United States Constitution and article 2, section 16, of the constitution of the State of Michigan, I assert my privilege not to be a witness against myself.

The CHAIRMAN. You have counsel present. Will you identify yourself for the record?

Mr. WIESELBERG. Paul J. Wieselberg, W-i-e-s-e-l-b-e-r-g, of Detroit, Mich.

The CHAIRMAN. Will you submit to the Chair what you read there just for a moment, please? I couldn't hear. Or will you repeat it? May I see what you have read?

(The document was handed to the chairman by the witness.)

The CHAIRMAN. The Chair overrules that part of the witness' answer where he states that under the constitution, article 2, section 16, of the constitution of the State of Michigan, that he asserts his privilege not to be a witness against himself.

The constitution of the State of Michigan has no jurisdiction over and is not a guide or direction nor a restriction upon this committee's function or its inquiry. Therefore, that part of the statement of the witness' response will be overruled.

The Chair again asks you the question, what is your present business or occupation?

Mr. KAMENOW. I honestly believe that if I am forced to answer questions, I will be compelled to be a witness against myself, in violation of my privileges under the fifth amendment of the United States Constitution, and under article 2, section 16, of the constitution of the State of Michigan.

The CHAIRMAN. Again, the Chair overrules that statement of the Michigan constitution so far as it is superseding the authority and jurisdiction of the Federal Government. I suggest to your counsel that he advise you not to repeat it.

Of course, if counsel wants to insist, he can make that kind of a record. It will not reflect upon the committee, I can assure him. If he wants to make that kind of a record, that is your privilege. But the Chair announces now that part of your answer will be overruled. As I understand you, Mr. Kamenow, your statement is that, under the fifth amendment to the Constitution, you assert that privilege and decline to be a witness against yourself; is that correct?

Mr. KAMENOW. That is correct.

The CHAIRMAN. Do you honestly believe that, if you gave a truthful answer to the question as to what is your present business or occupation, a truthful answer under oath might tend to incriminate you?

Mr. KAMENOW. I honestly believe that, if I am forced to answer the question, I will be compelled to be a witness against myself, in violation of my privileges under the fifth amendment of the United States Constitution.

The CHAIRMAN. Since you don't want to be a witness against yourself, will you be a witness for the committee and the union men of this country that have been involved in your activities and, therefore, give them some accounting of your stewardship, and also to the business interests of this country?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, under the fifth amendment of the United States Constitution, and I assert my privilege not to be a witness against myself.

The CHAIRMAN. Have you been in the hearing room here during the testimony yesterday of witnesses from Flint, Mich?

Mr. KAMENOW. Yes.

The CHAIRMAN. Then you heard the testimony, did you, of those witnesses yesterday?

Mr. KAMENOW. For a short time that I was in here.

The CHAIRMAN. Did you hear something then that intimated to you that it might be well for you not to answer questions today?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer. Under the fifth amendment to the United States Constitution, I assert my privilege not to be a witness against myself.

The CHAIRMAN. Well, I want to be very fair to you. You, perhaps, didn't hear all of the testimony yesterday, so I am going to ask counsel to proceed to interrogate you about some of the revelations that came to us in sworn testimony in our inquiry into this situation by the witnesses who appeared here yesterday.

Mr. Counsel, proceed.

Mr. KENNEDY. Mr. Chairman, prior to that time, we have here a subpoena, or a copy of the subpoena, served on Mr. Kamenow which orders his production of all of his personal records and books. Will you ask the witness to produce those records?

The CHAIRMAN. I present to the witness a copy of the subpoena served upon him, and ask him to examine it and identify it.

(The document was handed to the witness.)

Mr. WIESELBERG. He was served with that subpoena.

The CHAIRMAN. The witness acknowledges he was served with that subpoena?

Mr. KAMENOW. Yes, sir.

The CHAIRMAN. Let me have the subpoena, please.

(The document was handed to the chairman by the witness.)

The CHAIRMAN. This subpoena may be printed in the record at this point, the pertinent parts of it, about which I shall interrogate the witness.

Mr. WIESELBERG. I would like to, Mr. Chairman, make a brief objection here. In the first place, we question the pertinency of his personal records in this investigation. In the second place, the subpoena is of such a broad scope—in fact, I would say it would constitute a fishing expedition—so that, under the decision of the *Bowman Dairy* case (341 U. S. 214), the subpoena is largely invalid, and we just want to place that objection on the record.

The CHAIRMAN. That objection will be placed on the record, and it is overruled by the committee. The Chair will proceed to read the pertinent parts of the subpoena.

You are hereby commanded to appear before the Senate Select Committee on Improper Activities in the Labor or Management Field of the United States, on August 12, 1957, at 10 a. m., at their committee room, 101 Senate Office Building, and then and there to testify what you may know relative to the subject matter under consideration by said committee, and produce, duces tecum, all of your personal financial records and records maintained by you and your wife and by others on your behalf for the years 1952 through 1957 pertaining to and including bankbooks, bank statements, canceled checks, check stubs, savings accounts, stocks, bonds, debentures, and other securities, loans, insurance policies, real estate, automobiles and trucks, interest in partnership or joint ventures, and all other financial records, and pertaining to financial transactions that you have had during the years 1952 through 1957 with companies, corporations, labor unions, and officials of labor unions.

Mr. Kamenow, have you complied with this subpoena, and have you produced your records?

Mr. KAMENOW. I assert I have produced my personal records in accordance with the subpoena issued by this committee.

The CHAIRMAN. I will have to ask you to suspend. It is going to be impossible for us to proceed here with this noise outside the hearing room.

(A short recess was taken.)

The CHAIRMAN. On the basis of the report we have now received, we are now hopeful that we can proceed without interruption, so we will try again. The Chair again asks you the question, if you have complied with the subpoena, and do you have present your records?

Mr. KAMENOW. I have with me my personal records, in accordance with the subpoena issued by this committee.

The CHAIRMAN. You have what?

Mr. KAMENOW. I have with me my personal records, in accordance with the subpoena issued by this committee. However, on advice of counsel, I respectfully decline at this time to produce and turn over my personal records under the fourth and fifth amendments of the United States Constitution, and, under article 2, sections 15 and 16 of the constitution of the State of Michigan, I assert my privilege not to produce under compulsion evidence to be used against me and of not being a witness against myself.

The CHAIRMAN. All of that part of your statement with respect to the constitution of the State of Michigan is overruled. I do understand from your answer, however, that you did bring the records and you have them with you.

Mr. KAMENOW. Yes, sir.

The CHAIRMAN. You have them present here?

Mr. KAMENOW. That is right.

The CHAIRMAN. All right. You are declining to turn them over on the ground, as I understand you, that to produce them would be, in effect, testifying against yourself, and you feel that if you did that the records that you would produce and deliver to us under the order of this subpoena might tend to incriminate you?

Mr. KAMENOW. I stand by my statement.

The CHAIRMAN. Well, I am trying to clarify your statement. If you want to leave it in that shape, you may. I am simply trying to be very fair to you.

Mr. KAMENOW. I don't quite understand your question, Senator.

The CHAIRMAN. I am trying to make the record clear, and, if you don't want to do it, that is all right with me. I am trying to clarify your answer so that it can be understood. I understand that you have the records present, but your statement is that, if you produced the records and made them available to the committee, the information those records contain might tend to incriminate you.

Mr. KAMENOW. I stand on my statement.

The CHAIRMAN. Proceed, Mr. Counsel, and ask him every question that you have information about here, and let him take the fifth amendment, if that is his choice, but I want to give him an opportunity to deny and to refute or explain.

Mr. KENNEDY. Mr. Chairman, it might be well to start off by pointing out that Mr. Kamenow came, according to our records, with Labor Relations Associates, around 1941.

The CHAIRMAN. Is that correct?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Do you honestly believe that if you stated when you went to Labor Relations Associates that a truthful answer thereto might tend to incriminate you?

Mr. KAMENOW. I honestly believe that if I am forced to answer the question I will be compelled to be a witness against myself, in violation of my privileges under the fifth amendment of the United States Constitution.

The CHAIRMAN. Proceed.

Mr. KENNEDY. And that Mr. Kamenow has been in charge of the Detroit office. About 3 or 4 months ago, he broke off from Mr. Shefferman and set up an office of his own. He broke off, according to the information that we have, and according to what he told various of the clients, because he was concerned about some of the things that had been testified about Mr. Shefferman, and that he didn't know Mr. Shefferman was doing some of these improper acts, and he didn't want to be associated with him.

The CHAIRMAN. One witness so testified yesterday, as the Chair recalls. He testified to that in substance.

Mr. Kamenow, would you tell the committee what acts of Mr. Shefferman's displeased you or you didn't want to be associated with, that caused you to break away from that relationship?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Are we to imply from that statement that you were a party to some of those actions that you got disgusted with, and that is why you quit?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. We do not have all of the figures for 1956, but I have some of the figures for 1954 and 1955, which will give a picture of the financial situation as far as Mr. Kamenow is concerned in Labor Relations Associates.

In 1954, according to our records, he received a salary of \$15,000, and a bonus of \$18,000, and travel and entertainment expenses of \$30,529.73.

The CHAIRMAN. That is for the year 1954?

Mr. KENNEDY. Yes.

The CHAIRMAN. He received the salary from whom?

Mr. KENNEDY. From Labor Relations Associates.

The CHAIRMAN. And a bonus from them?

Mr. KENNEDY. Yes, and this travel and entertainment expense of \$30,529.73, which we expect to go into a little bit further.

The CHAIRMAN. What is the total?

Mr. KENNEDY. The total was \$63,529.73 of money that went to Mr. Kamenow.

The CHAIRMAN. Do you want to deny, refute, or admit, or explain those figures?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution, I assert my privilege not to be a witness against myself.

The CHAIRMAN. Is there something in those figures, some expenditure or some transactions that they represent that you think might tend to incriminate you if they were divulged, if you discussed them?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution, I assert my privilege not to be a witness against myself.

The CHAIRMAN. How much of this \$30,529.73 went to union officials?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution, I assert my privilege not to be a witness against myself.

The CHAIRMAN. How much of it was used to pay union officials to get them to desist or to refrain from trying to organize different companies?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer; under the fifth amendment of the United States Constitution, I assert my privilege not to be a witness against myself.

The CHAIRMAN. None of it was used improperly, I assume?

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. You don't think that it would tend to incriminate you to answer that and say "No", do you?

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer and under the fifth amendment of the United States Constitution, I assert my privilege not to be a witness against myself.

The CHAIRMAN. Is that just a bad year?

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer and under the fifth amendment of the Constitution of the United States I assert my privilege not to be a witness against myself.

The CHAIRMAN. Mr. Counsel, what did he have in the succeeding year?

Mr. KENNEDY. 1955, \$15,000 salary, \$18,000 bonus, and \$30,937.04 for travel and entertainment expenses, making a total of \$63,937.04. That is 1955.

The CHAIRMAN. Did the same practice continue during 1955, in your operation?

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer and under the fifth amendment of the Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. In other words, the same things prevailed, obtained, during that year that might tend to incriminate you that prevailed, occurred, during the preceding year? Is that correct?

(The witness conferred with his counsel.)

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Do you represent business or labor?

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Is Labor Relations Associates a business enterprise or is it a labor organization?

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Was it retained to represent labor organizations, or were you retained, and did the LRA represent business interests?

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. According to the evidence by a number of witnesses that have previously appeared, and according to the information we have as evidenced by these figures that counsel has given, it appears that you represented business, that is, you were employed by a business enterprise or business enterprises, paid by business enterprises, that the income of LRA was from small businesses and others, and that you were paid by LRA. Do you want to make any explanation of that, or do you want to deny it? Tell us what the facts are.

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. If you were employed by business interests and represented business interests, as their agent or as their counsel, or whatever services you performed, then you do come in the category of management or business interests rather than labor or labor organizations; is that not true?

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. It is a pretty sad commentary, in my view, on business and management when they employ and use, make use of, agents or representatives who, when called before a tribunal, such as this committee, find themselves in such a situation by reason of their past actions or conduct that they have to take the fifth amendment because if they told the truth, the truth might tend to incriminate them. The Chair has been pretty severe in his condemnation, and it is personal, the way I feel about it, of labor leaders who owe a duty, a trust, who are stewards, occupying positions of confidence, and an obligation, a duty, resting upon them to take care of and protect the interests of the working people of this country, who come in here and say that their conduct has been such, or the truth is such, that if they revealed it they would be testifying against themselves and such testimony might tend to incriminate them.

Now we find it appears that you represent business and management. Now we find that on the side of management we have people who are engaged in, on the surface, legitimate activities; but when we interrogate as to what those activities are, the extent of them, and

the nature of them, we find that business representatives, or management representatives, feel compelled to take the fifth amendment because if they told the truth it might tend to incriminate them.

On that score, I can see no difference in the labor leader or labor representative who takes the fifth amendment, and those who represent business or management, who find themselves in a situation where they think it advisable, under advice of counsel, not to reveal the truth and the facts as they know them to be.

All right, Mr. Kennedy, proceed.

Mr. KENNEDY. Well, Mr. Chairman, this travel and entertainment takes on particular significance when we make an examination of the records of LRA and the records of Mr. George Kamenow. It would appear that large sums of money were expended for the purpose of union busting, either through subtle means, by entertainment and small groups, to more obvious means of large sums of money. We have broken down some of Mr. Kamenow's records. I would like to have permission to ask him about some of these expenditures that he has made.

We have here prepared a list, Mr. Chairman, taken from Mr. Kamenow's records, of some of the charges that are made and charged on his records to travel and entertainment. We will go into this, and then also some other charges.

The CHAIRMAN. May I inquire who has made a compilation, this compilation, on the staff?

Mr. KENNEDY. This was made by our accountants in Chicago, under our direction.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Mr. Kamenow, I would like to ask you first about this, for instance, \$150—

The CHAIRMAN. Does the witness have one of these?

Mr. KAMENOW. I do not.

The CHAIRMAN. See that he has one so that he can follow the question, please.

(Document handed to the witness.)

Mr. KENNEDY. Mr. Chairman, I would like to ask him about these 2 items from his daily report, \$150 and \$300 item, dated December 14, 1953. One charged to the Detroit Bolt & Nut Co., and one to the Wolf Detroit Envelope Co.

The CHAIRMAN. Mr. Kamenow, I present to you a photostatic copy of what appears to be your daily report on December 14, 1953. I ask you to examine it and state if you identify it.

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution, I assert my privilege not to be a witness against myself.

The CHAIRMAN. Let the Chair ask you first if you have examined the document.

Mr. KAMENOW. Yes.

The CHAIRMAN. You have examined it. After examining it, you decline to tell us whether you identify it or not, on the advice of counsel, and by invoking the fifth amendment; is that correct?

Mr. KAMENOW. That is correct.

The CHAIRMAN. That may be made exhibit No. 60.

(The document referred to was marked "Exhibit No. 60" for reference and will be found in the appendix on p. 6637.)

Mr. KENNEDY. Here is another one, Mr. Chairman, Awrey Bakery, \$425.80 on December 18, 1953, for Christmas gifts.

The CHAIRMAN. I present to you here another photostatic copy of your daily report on December 18, 1953, showing an entry charged to Audrey Bakery, an item of \$425, marked "Christmas gifts." Will you examine that document and state if you identify it?

(Document handed to witness, who conferred with his counsel.)

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. You have examined the document?

Mr. KAMENOW. I have examined it.

The CHAIRMAN. It may be made exhibit No. 61.

(The document referred to was marked "Exhibit No. 61" for reference and will be found in the appendix on p. 6638.)

The CHAIRMAN. Can you give us or will you give us any information about the use of that \$425 marked or identified by the word "Christmas," or the abbreviation for Christmas?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Is that a part of the general policy and practice of the LRA and of you as its representative?

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution, I assert my privilege not to be a witness against myself.

The CHAIRMAN. Is that one of the devices used to make friends and influence people favorable to management, to influence labor representatives favorable to management or favorable to your clients?

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer, and under the fifth amendment of the Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. The Chair notes that you say you decline to answer at this time under the advice of counsel. Would you think if we recessed over until tomorrow, at that time you might change your position and be willing to answer then?

(The witness conferred with his counsel.)

Mr. KAMENOW. No.

The CHAIRMAN. You don't think you would?

Mr. KAMENOW. I don't think so; no, sir.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Well, Mr. Chairman, here is Otto Graff, travel, \$1,630.20, tickets to Seattle and return.

The CHAIRMAN. This is another daily report of yours.

Mr. KENNEDY. 6-21-54.

The CHAIRMAN. It is as of June 21, 1954. It shows an item here of travel, Otto Graff.

Mr. KENNEDY. He testified yesterday.

The CHAIRMAN. It is termed "travel, tickets to Seattle and return, \$1,630.20." Will you examine that document, please, and state if you identify it.

Mr. WIESELBERG. Mr. Chairman, may I make an objection at this time?

The CHAIRMAN. You may.

Mr. WIESELBERG. My objection here is that the subject matter of yesterday's investigation involved nine business firms from Flint, Mich., and that their testimony, that is, anything in regard to that testimony is not pertinent to this investigation, and any question put to my client arising out of this subject matter is objected to. I want to call your attention to the case of *Quinn v. United States* (349 Michigan 155), in which it says that the power to investigate, broad as it may be, is also subject to recognized limitations. It cannot be used to inquire into private affairs unrelated to a valid legislative purpose, nor does it extend to an area in which Congress is forbidden to legislate.

Similarly, the powers to investigate must not be confused with any of the powers of law enforcement. Those powers are assigned under our Constitution to the executive and the judiciary.

None of the business firms, as I understand it, that appeared here yesterday, are in a business that affects commerce. They are governed by the Michigan law relating to labor, and Congress, even if it would enact legislation, could not legislate insofar as they are concerned, because they are not in interstate commerce.

Respectfully I say that in pursuing the examination of yesterday, and insofar as questions arise as to this witness, this committee is stepping beyond the limitations imposed upon it under the Quinn decision.

The CHAIRMAN. The Chair will overrule the objection. I don't think there can be any question but what the subject matter under inquiry and the evidence that the committee has received is clearly within the purview of its authority and jurisdiction. Certainly the LRA was not an intrastate operation. It was very much interstate, extending, I think, maybe from the Canadian boundary to the Gulf of Mexico, and from the Atlantic on the east to the Pacific on the west. I believe that would be interstate commerce.

Mr. WIESELBERG. May I have this objection applied to all these matters, so I won't have to repeat it again?

The CHAIRMAN. The record may reflect that counsel enters his objection to all of these questions, and that they stand overruled in each instance.

All right, proceed, Mr. Kennedy.

Was that presented to the witness? Have you examined the document presented to you?

Mr. KAMENOW. I have.

The CHAIRMAN. Do you identify the document?

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer, and under the fifth amendment to the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Based on the figure in that of \$1,630 for transportation, it seems to me like a rather large sum for intrastate travel. It would indicate by the very size of it that you must have crossed some State lines in that journey to Seattle, or wherever it was, and return. Would you tell us whether the point of origin of that trip was in the State of—what is the name of that town? It was travel to where?

Mr. KENNEDY. To Seattle.

The CHAIRMAN. Did that travel, that trip, originate in the State of Washington?

(The witness conferred with his counsel.)

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution, I assert my privilege not to be a witness against myself.

The CHAIRMAN. Is it not true that it was interstate travel?

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. That document may be made exhibit 62.

(The document referred to was marked "Exhibit 62" for reference and will be found in the appendix on p. 6639.)

The CHAIRMAN. Who made that trip?

Mr. KAMENOW. On advice of counsel I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. Mr. Chairman, if this is all intrastate, we have rather an interesting charge here of mileage cost, dated August 28, 1954, in which, for that 1 day, Mr. Kamenow charged \$1,991.90 for mileage costs for driving his car at 10 cents a mile, which means on that particular day he must have gone 19,991 miles, because he has charges before and after that date. So it is not an accumulation.

The CHAIRMAN. This is a bit intriguing. I present to you another document dated August 28, 1954.

Mr. KENNEDY. It is submitted the 30th, but the day for which it is charged is the 28th.

The CHAIRMAN. It is for August 28, 1954. It shows mileage costs at 10 cents per mile, \$1,991.90. I present to you a photostatic copy. You may also see the original that the photostatic copy was made from. You may examine both the original and the photostatic copy and state if you recognize them or identify them.

(The document was handed to the witness, who conferred with his counsel.)

Mr. KAMENOW. I examined them, and I refuse on advice of counsel—on advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. The photostatic copy may be made exhibit 63.

(The document referred to was marked "Exhibit 63" for reference and will be found in the appendix on p. 6640.)

The CHAIRMAN. You would not represent to this committee or to anyone else that that is an accurate charge; would you?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer under the fifth amendment of the United States Constitution, and I assert my privilege not to be a witness against myself.

The CHAIRMAN. Of course, I assume that your boss, Mr. Shefferman, understood it. I don't suppose that there were any differences which arose between you with your having submitted such a charge as that?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer under the fifth amendment of the United States Constitution. I assert my privilege not to be a witness against myself.

The CHAIRMAN. I present to you a photostatic copy of a check dated August 30, 1954, which I assume is in part payment at least of your statement or your bill submitted at that time.

This exhibit that I have just presented to you shows a total charge on your statement, including the \$1,991.90, a total charge of \$2,183.38. This bill apparently, according to the date on it, was submitted under travel, and it appears to have your signature, and the date is August 30.

I present to you now a photostatic copy of the check dated August 30, 1954, made payable to you and signed by Nathan Shefferman, of the Labor Relations Associates of Chicago, Inc., in the amount of \$2,000.

I ask you to examine the photostatic copy of the check and see if you identify it as such.

(The document was handed to the witness.)

Mr. KAMENOW. I have examined the check.

The CHAIRMAN. Do you identify it?

Mr. KAMENOW. I have examined the check.

The CHAIRMAN. I asked if you identified the check?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer; under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. That check may be made exhibit No. 64.

(The document referred to was marked "Exhibit No. 64" for reference and will be found in the appendix on p. 6641.)

The CHAIRMAN. Was that check given to you in part payment of the bill you submitted on that date, August 30, 1954?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer under the fifth amendment of the United States Constitution. I assert my privilege not be a witness against myself.

Senator MUNDT. You submit a bill for traveling 19,000 miles in 1 day, at 10 cents a mile?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer. Under the fifth amendment of the United States Constitution, I assert my privilege not to be a witness against myself.

Senator MUNDT. Did you submit that bill of \$1,910 for 19,000 miles of travel in 1 day—wait a minute—in order to make a tax deduction? Is that the purpose of it? Are you trying to fool the tax collector?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

Senator MUNDT. Where were you driving that day, the day you were having that automobile race with Sputnik?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer and under the fifth amendment of the United States Constitution, I assert my privilege not to be a witness against myself.

Senator MUNDT. This gives rise to another question.

Have you accurately reported your financial transactions to the Bureau of Internal Revenue in connection with your operations?

Mr. KAMENOW. On advice of counsel—

Senator MUNDT. Or have you falsely reported them?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution, I assert my privilege not to be a witness against myself.

Senator MUNDT. You are unwilling to testify today under oath that your reports to the tax collector have been accurate?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution, I assert my privilege not to be a witness against myself.

Senator MUNDT. Are your tax returns presently being examined by the Internal Revenue Bureau?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer under the fifth amendment of the United States Constitution, and I assert my privilege not to be a witness against myself.

Senator MUNDT. May I say that if they are not, the Internal Revenue Bureau must be the sleepest bureau in town.

The CHAIRMAN. I notice an endorsement on the reverse side of this check, "George Kamenow." Is that your signature?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution, I assert my privilege not to be a witness against myself.

The CHAIRMAN. Who is Florence M. Ouska?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. That name or signature appears to be an endorsement under yours, on the check. Is she an employee of Mr. Shefferman's?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Do you know her personally?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Did you have her cash this check for you?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Did you attend the Rose Bowl football game?

Mr. KAMENOW. On advice of counsel, I respectfully decline to answer at this time under the fifth amendment of the United States Constitution, and I assert my privilege not to be a witness against myself.

The CHAIRMAN. Did you go on a hunting trip to Alaska, or Canada, or somewhere?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Did you attend some labor conventions for which you made charges against your clients?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer under the fifth amendment of the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Mr. Chairman, I have just a few more questions. We won't go into all of them, but this is an interesting charge on November 10, the week of November 10 to November 18, 1955, a charge of \$703.91 made to 6 different companies for a trip that Mr. Kamenow took.

I would like to ask him who he went with, and what transpired?

The CHAIRMAN. I submit to you 3 of your photostatic copies of your daily reports, November 10 to November 18, 1955, showing charges to Wolf, Detroit Envelope Co., \$103.91; Morley Bros., \$100; Chamberlain, \$350; Flint Home, \$50; Gordon Baking, \$50; and Moynahan Bronze, \$50; making a total of \$703.91.

I present these documents to you, and photostatic copies of your daily report, and ask you to examine them and state if you identify them, please.

(The documents were handed to the witness.)

Mr. KENNEDY. You can examine it afterward again, if you would like.

The CHAIRMAN. Have you examined the documents?

Mr. KAMENOW. I have.

The CHAIRMAN. Do you wish to identify them?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution, I assert my privilege not to be a witness against myself.

The CHAIRMAN. Can you give us any information about those charges to the six different companies, the total of what that money was obtained for, and how it was used?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer under the fifth amendment of the United States Constitution, and I assert my privilege not to be a witness against myself.

The CHAIRMAN. This document may be made exhibit No. 65. That may be marked "A, B, and C."

(The documents referred to were marked "Exhibits Nos. 65-A, 65-B, and 65-C" for reference and will be found in the appendix on pp. 6642-6644.)

Mr. KENNEDY. These records show it was a so-called northern trip, and then an examination of the records shows that the trip was taken to Camp Buddle, Iron Mountain. Who did you visit at Camp Buddle, in Iron Mountain?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself?

Mr. KENNEDY. Isn't Camp Buddle owned and operated by Mr. James Hoffa and Mr. Bert Brennan?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Did this \$703.91 charge have anything to do with Mr. Hoffa or Mr. Brennan?

Mr. KENNEDY. On advice of counsel, I respectfully decline at this time to answer and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Who would you be entertaining up there that you charged it to these six different companies.

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Mr. Kamenow, you said you wouldn't answer now. I asked you if you would answer tomorrow, and you said "No."

Will you advise the committee as to what time will be convenient for you to answer these questions?

(The witness conferred with his counsel.)

Mr. KAMENOW. On advice of counsel, I won't answer the questions.

The CHAIRMAN. You won't cooperate a little bit? You won't let us have a little bit of luck?

Mr. KAMENOW. I am sorry.

The CHAIRMAN. You can't help us even that much?

Mr. KENNEDY. I have just one or two other matters here.

We have a charge here to the Chamberlain Co. dated September 3, 1955 and he arrived at the Chamberlain Co., according to his report, at 7:30 in the morning, and again, according to his report, he was in conference all day. He left the Chamberlain Co. at 2:30 in the afternoon, and returned home and he charged for entertainment, \$543.

The CHAIRMAN. I present to you this daily report of August 3, 1955, reflecting the charges that counsel has stated.

Will you examine it and see if you identify your daily report?

(The document was handed to the witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. Have you examined the document?

Mr. KAMENOW. I have examined the document.

The CHAIRMAN. Would you like to identify it, please?

Mr. KAMENOW. On advice of counsel, I respectfully decline at this time to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. That document may be made exhibit No. 66.

(The document referred to was marked "Exhibit No. 66" for reference and will be found in the appendix on p. 6645.)

Mr. KENNEDY. Could you tell the committee how you were able to spend \$543 entertaining during a period from 7:30 in the morning until 2:30 in the afternoon, when your records show you were in conference all day?

Mr. KAMENOW. On advice of counsel, I respectfully decline and under the fifth amendment I decline to answer—

The CHAIRMAN. Do you want any of that erased from the record?

Mr. KAMENOW. I will start over again.

On advice of counsel, I respectfully decline to answer and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Mr. Chairman, according to our records, during the period—

The CHAIRMAN. That has been admitted.

Mr. KENNEDY. December 20, 1955, to November 20, 1956, at that Chamberlain Corp. alone, Mr. Kamenow spent \$9,726.10 in similar types of entertainment.

The CHAIRMAN. From what date?

Mr. KENNEDY. For a period of approximately a year, December 20, 1955, to November 20, 1956. Those are the checks. He spent \$9,726.10.

The CHAIRMAN. Mr. Kamenow, I present to you 11 photostatic copies of checks or photostatic copies of 11 separate checks from Labor Relations Associates to you beginning November 20, 1956, and extending over a period to December 20, 1955, ranging in amounts up to more than \$2,000, and aggregating how much?

Mr. KENNEDY. \$9,726.10.

The CHAIRMAN. I ask you to examine these checks and state if they are reimbursements for bills you submitted against the Chamberlain Corp. during that period of time as stated by the checks.

(The documents were handed to the witness.)

The CHAIRMAN. The Chamberlain Corp., of Waterloo, Iowa, to help you identify these.

Mr. KENNEDY. I might say, Mr. Chairman, that \$3,000 of these \$9,000 in checks, or slightly over \$9,000, were checks that were actually cashed in Waterloo, Iowa, where the Chamberlain Corp. is.

Mr. KAMENOW. I have examined the documents.

The CHAIRMAN. Do you identify those photostatic copies, Mr. Kamenow?

Mr. KAMENOW. On advice of counsel, I respectfully decline to answer and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Those 11 checks may be made exhibits Nos. 67A, 67B, 67C, 67D, and so on down to the end.

(The documents referred to were marked "Exhibits Nos. 67A through 67K," inclusive, for reference.) and 67A, B, C, will be found in the appendix on pp. 6646-6648, and D-K in the files of the select committee.)

Mr. KENNEDY. These are duplicates of those checks, but there were three checks that were cashed all on the same day, May 16, 1956, for \$1,200, and May 16, 1956, for \$900 and May 16, 1956, for \$900, and that cash was turned over to Mr. Kamenow on that day.

Maybe he would tell us what he had to do with \$3,000 in cash in Waterloo, Iowa, on May 16, 1956.

The CHAIRMAN. Those 3 checks that counsel has referred to were in the group of 11 checks that you have just examined. Would you like to be helpful and give us a little information about the use of this money?

Mr. KAMENOW. On advice of counsel, I respectfully decline to answer under the fifth amendment of the United States Constitution, and I assert my privilege not to be a witness against myself.

Senator MUNDT. Do you know Mr. Merle Wolfgang?

Mr. KAMENOW. On advice of counsel, I respectfully decline to answer under the fifth amendment of the United States Constitution, and I assert my privilege not to be a witness against myself.

Senator MUNDT. Is there something about his background or relationships or activities which might be incriminating to you if you recognized association with him?

Mr. KAMENOW. On advice of counsel, I respectfully decline to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Mr. Chairman, I would like to have permission to call Mr. Bellino, who had this list prepared, or someone under his direction prepared it, and also another list, a further breakdown just of the Christmas gifts, and we can put those in the record.

The CHAIRMAN. I think the witness should be given the opportunity to see the list of Christmas gifts. Do you have a copy of those before you?

Mr. KAMENOW. I don't.

The CHAIRMAN. Present the witness with a list of the Christmas gifts so that he may follow the testimony.

Mr. Bellino, you may come around, please.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BELLINO. I do.

TESTIMONY OF CARMINE S. BELLINO

The CHAIRMAN. State your name and place of residence and your business or occupation.

Mr. BELLINO. Carmine S. Bellino; residence, Bethesda, Md.; and I am a certified public accountant.

The CHAIRMAN. How long have you been a certified public accountant?

Mr. BELLINO. Since 1932.

The CHAIRMAN. You have been employed by this committee in that capacity since the committee was established?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. In the course of your work for the committee, have you examined the books and records of Labor Relations Associates?

Mr. BELLINO. The records have been examined by me, and by accountants under my supervision.

The CHAIRMAN. You have been in charge of the examination of those records?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Have you made a compilation of those records with respect to amounts received by Mr. Kamenow from LRA and also from clients of LRA?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Do you have those compilations before you?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. I want to have them placed in the record.

The CHAIRMAN. What do you have before you and what do you hold in your hand?

Mr. BELLINO. This one is the Christmas gifts charged to various clients by George Kamenow through Labor Relations Associates. The total amount is \$23,274.93.

The CHAIRMAN. Over what period?

Mr. BELLINO. From the period 1953 through 1956.

The CHAIRMAN. A period of 4 years?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Does it have a breakdown of the amount for each year?

Mr. BELLINO. In 1953 it was \$3,527.56; in 1954 it was \$4,634.87; in 1955 it was \$6,292.50; in 1956 it was \$8,820.

The CHAIRMAN. It seems that Santa Claus was getting progressively more prosperous these years. Do you think that may reflect the general economic advance of the country?

Mr. BELLINO. It probably does.

The CHAIRMAN. This may be made exhibit No. 68.

(The document referred to was marked "Exhibit No. 68" for reference and will be found in the appendix on p. 6649.)

Mr. KENNEDY. Then you made a list of selected items.

Mr. BELLINO. Charged to entertainment and transportation by George Kamenow, against these various clients of Labor Relations Associates.

The CHAIRMAN. Over a period of what time?

Mr. BELLINO. 1953 through 1956. The total was \$33,710.22.

The CHAIRMAN. Did those charges progress each year and increase comparable to the Christmas gifts?

Mr. BELLINO. I don't have it broken down separately, but it appears that way, also.

The CHAIRMAN. You don't have that broken down for the separate years?

Mr. BELLINO. No, sir.

The CHAIRMAN. But for the 4 years, the same period of the Christmas gifts, the total is \$33,710.22?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. All right. That may be made exhibit No. 69.

(The document referred to was marked "Exhibit No. 69" for reference and will be found in the appendix on pp. 6650-6652.)

TESTIMONY OF GEORGE KAMENOW, ACCOMPANIED BY HIS COUNSEL, PAUL J. WIESELBERG—Resumed

Mr. KENNEDY. Mr. Chairman, these charges that we have been discussing take on significance in view of the testimony that we had yesterday.

For instance, it was testified yesterday that in the fall of 1954, Kierdorf, the business agent for local 332 in Flint, Mich., established a picket line around the Advance Electric Co. in Flint, Mich., and without previous notice; that that picket line was maintained for about 4 weeks. Then Mr. George Kamenow was hired, and 4 days after Kamenow was retained by Advance, the picket line was withdrawn.

Mr. KAMENOW. On advice of counsel, I respectfully decline to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. The witness from Advance Electric Co. said that in addition to the original charges, there was an additional charge of \$2,000 which was to be used according to Mr. Kamenow to take the boys to the Rose Bowl game. This is the \$2,000 check.

The CHAIRMAN. I present to you a photostatic copy of the check, which is now exhibit No. 49 in the record of these hearings, in the amount of \$2,000, dated December 20, 1954, made payable to you, and drawn on the account of Advance Electric Co., the check being signed by Mr. A. J. Crocker. Will you examine this check and the

endorsement thereon and state if you received this money, Mr. Kamenow?

(Document handed to witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. Have you examined the check?

Mr. KAMENOW. I have examined the check. On advice of counsel, I respectfully decline to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Do you recall the transaction, Mr. Kamenow?

Mr. KAMENOW. On advice of counsel, I respectfully decline to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Who won the game?

Mr. KAMENOW. On advice of counsel, I respectfully decline to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. I think we can get that from the records, the sports records. I will agree with your counsel that is not pertinent. Proceed.

Senator MUNDT. Yesterday, Mr. Kamenow, I was trying to analyze your operations, and I found some of them very confusing and curious. I suggested that one hypothesis was, perhaps, in that you and Mr. Shefferman were really not engaged as labor consultants at all, but that a reasonable hypothesis as to your operations in connection with this Advance Electric Co. gentleman would be that your friend, Mr. Kierdorf, would either instigate a strike, or a request for a union, or a picket line, and then you would rush bravely in and provide for a reasonable fee and Rose Bowl football tickets, giving the magic touch to call it off. This might give you a chance at least to explain whether you were engaged in what you considered to be legitimate labor consulting activities, or whether you and Mr. Kierdorf just had a nice little Michigan shakedown.

Mr. KAMENOW. On advice of counsel, I respectfully decline to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

Senator MUNDT. I am trying to help you from getting incriminated. As I say, to me this has every semblance of a shakedown. I said yesterday I would give you and Mr. Kierdorf a chance to deny it or explain it. But if, in fact, you were simply setting up strawmen and then knocking them down, and collecting exorbitant fees from little-business men, that is one thing. If you were a labor consultant who at times got a little bit extravagant with Christmas gifts and engaged in improper practices, that is something else again. And if you were running a legitimate operation, you should be proud to tell us about it.

Certainly, you could answer this question without incriminating yourself. If you can honestly answer it without incriminating you, were you and Mr. Kierdorf just running a shakedown?

Mr. KAMENOW. On advice of counsel, I respectfully decline to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

Senator MUNDT. Would you explain how saying no to me would incriminate you, or would your able lawyer explain it to you? I

said were you running a shakedown? If you say no, how does that incriminate you?

Mr. KAMENOW. On advice of counsel, I respectfully decline to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

Senator MUNDT. You want to let the record stand, then, with the full implication that what you really were doing was running a shakedown in Flint, Mich., which was a town controlled by labor, so that businessmen were easy to intimidate? You could have your friend Kierdorf rattle the sword, and you would come around and collect the fee, and they would put the sword back in the sheath and move down the block to the next company and start all over again. Is that the way you want to let the record stand.

Mr. KAMENOW. On advice of counsel, I respectfully decline to answer, and under the fifth amendment of the Constitution I assert the privilege of not being a witness against myself.

Senator MUNDT. You are doing a pretty good job of incriminating yourself if you can't answer that question. That is all.

Mr. KENNEDY. As other samples, Mr. Chairman, of this type of operation, where these Christmas gifts, travel, and entertainment might have paid off, we have the situation at MacGregor Tire Co., in which according to the testimony we had yesterday, early in 1954 Mr. Frank Kierdorf informed the MacGregor Tire Co. that he was going to organize their employees. MacGregor stalled him off for about a month, during which month there were a number of contacts. But then Mr. MacGregor got in touch with Mr. Kamenow, and after he did that he retained Mr. Kamenow, and he never heard from the union again.

Mr. Kamenow said he would need some \$5,000 to take the boys on a trip to Washington, D. C.

Would you explain that to us?

Mr. KAMENOW. On advice of counsel, I respectfully decline to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. And then the Skaff Rug Co., the same type of situation, where the employees had indicated, according to Frank Kierdorf, a desire to join the union. Mr. Kamenow was contacted by the employer, and they never heard again from the union. Do you have any explanation of that? In other words, were certain payments of \$2,000 made at that period of time?

Mr. KAMENOW. On advice of counsel, I respectfully decline to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Those are some of the samples, Mr. Chairman. We had the testimony from some 8 or 9 employers yesterday. They all testified along the same line.

The CHAIRMAN. There, possibly, are a good many others. From the testimony you have heard here, and from your best recollection, could you suggest any item here we might ask you about that you could give an answer to without its tending to incriminate you?

Mr. KAMENOW. On advice of counsel, I respectfully decline to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. Is there any question that you can suggest regarding your relations and your employment, and your transactions and relationships, with labor organizations and with business, with management, as a go-between, and Mr. Kierdorf, your relations with him—is there any question that you could suggest that we might ask that would not incriminate you, or tend to incriminate you, if you gave a truthful answer to it?

Mr. KAMENOW. On advice of counsel, I respectfully decline to answer, and under the fifth amendment of the United States Constitution I assert my privilege not to be a witness against myself.

The CHAIRMAN. You appreciate, do you not, that we are trying to be very fair; we don't want to overlook something that you might be willing to ask. You appreciate that, don't you?

Mr. KAMENOW. I appreciate that.

The CHAIRMAN. We have been fair. We have given you every opportunity, unless there is some more here. There is no use to go on. As I understand you, you would continue to read your little statement there, would you, to all questions?

Mr. KAMENOW. That is correct.

The CHAIRMAN. I didn't want you to leave the stand and say you were not asked this, and not asked that, because you would have been glad to answer. If there is anything that you can suggest that we can ask you that you can answer, the committee will take it under consideration.

(The witness conferred with his counsel.)

Mr. KAMENOW. No.

The CHAIRMAN. There is nothing you could suggest?

Mr. KAMENOW. Not—on advice of counsel, no.

The CHAIRMAN. We have dealt fairly with you, we have given you every opportunity, haven't we?

Mr. KAMENOW. You certainly have.

The CHAIRMAN. Thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. Frank Kierdorf.

(Committee members present: Senators McClellan and Mundt.)

The CHAIRMAN. Will you be sworn, please.

You do solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KIERDORF. I do.

TESTIMONY OF FRANK H. KIERDORF, ACCOMPANIED BY HIS COUNSEL, BENEDICT F. FITZGERALD

The CHAIRMAN. State your name, your place of residence and your business or occupation.

Mr. KIERDORF. Frank H. Kierdorf, 613 West Stewart, Flint, Mich. Business representative for local 332, Flint, Mich.

The CHAIRMAN. Thank you very much.

Do you have counsel present?

Mr. KIERDORF. Yes, sir.

The CHAIRMAN. Counsel, identify yourself for the record, please.

Mr. FITZGERALD. My name is Attorney Benedict F. FitzGerald, Jr., attorney at law, with offices at suite 1152, National Press Building, Washington 4, D. C.

The CHAIRMAN. Thank you very much.

Counsel, proceed.

Mr. KENNEDY. You are a business representative and organizer for local 332, Mr. Kierdorf?

(The witness conferred with his counsel.)

Mr. KIERDORF. With all due respect to the two gentlemen constituting this committee, I respectfully decline to answer on the advice of my counsel. In declining I am asserting my privilege under the 4th, the 5th, and the 8th amendments to the Constitution of the United States.

The CHAIRMAN. I thought you had just stated that you were business representative. Did you not? You can answer if you will. I thought you had stated that.

(The witness conferred with his counsel.)

Mr. KIERDORF. With all due respect to the two gentlemen——

The CHAIRMAN. You need not repeat it.

Mr. Reporter, would you read the answer he gave as to his business or occupation, please, I may have misunderstood the witness. I want to clear it up.

(The reporter read from his notes as requested.)

The CHAIRMAN. I will ask this question: Is that local——

Mr. FITZGERALD. If I may interrupt, Mr. Chairman, may I make a brief statement for the record?

The CHAIRMAN. Let me ask just this one question. You have given the number of a local. Is that a teamsters local?

(The witness conferred with his counsel.)

Mr. KIERDORF. With all due respect to the two gentlemen constituting this committee, I respectfully decline to answer on the advice of my counsel. In declining, I am asserting my privilege under the fourth, the fifth, and the eighth amendments to the Constitution of the United States.

The CHAIRMAN. The fourth and eighth amendment objection will be overruled. The fifth amendment, if the witness states that he honestly believes that if he gave a truthful answer, a truthful answer might tend to incriminate him, that is his privilege. The Chair asks you the question: Do you honestly believe that if you gave a truthful answer, that the truth might tend to incriminate you?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution. I assert my privilege not to be a witness against myself.

The CHAIRMAN. With the approval of the committee, the Chair orders you and directs you to answer whether you honestly believe that a truthful answer might tend to incriminate you.

(The witness conferred with his counsel.)

Mr. KIERDORF. I honestly believe that if I answer, the answer might tend to incriminate me.

The CHAIRMAN. All right.

Counsel, the Chair will hear you now.

Mr. FITZGERALD. With utmost respect to the gentleman from Arkansas, and the other gentleman from South Dakota, who appear to constitute this committee, I would like to make a general objection to the appearance of my client before this committee at this time. I first want to object to the fact that it appears to me that any hearings held by only two members of this committee, of this distinguished body, when the original resolution called for the setting up of an 8-man committee, I feel that that is violative of the Constitution, particularly the 5th, 8th, and 14th amendments.

I make this objection despite the rules that I am familiar with, which you have drafted, particularly rule 3, or section 3, of your rules, which provide that a two-man quorum is permissible. I don't believe that is constitutional.

Second, with continued respect to the committee, I want to object to the forceful summoning of my client to appear in this arena.

The CHAIRMAN. The what?

Mr. FITZGERALD. I want to object to the forceful summoning of my client. My client appears today under a subpoena duces tecum, and the appearance in this particular arena, and the utilization by this committee and its invitees of the various instruments that are being displayed here, such as the television, the radio, the microphones, the moving picture camera, photoflash bulbs, and the other instruments which clearly, as far as my knowledge is concerned, violate the tenets set down by the American Bar Association, and by other law-enforcement officials, and are truly violative of the Constitution, and all the protections available to any witness, particularly under the 5th, 8th, and 14th amendments.

Notwithstanding your local provision, rule 8, which seems to suggest that we request that a vote be taken of this committee, since there are only 2 members of the committee here, I imagine the vote would be 2 against my request, but I would like to have a vote anyway so that the record will show that that is the situation.

Thirdly, I want to move to disqualify the distinguished gentleman from Arkansas and the gentleman from Massachusetts because of what I feel is bias and prejudice, as evidenced by public pronouncements to the press, both in speeches throughout the country, about members of the teamsters union.

This particular man I am representing today is a member of the teamsters union, and I think that the legislative purpose of this inquiry has given way to a calculated, timed attempt to eliminate my client and certain other members of the teamsters.

The CHAIRMAN. You said eliminate; not liquidate?

Mr. FITZGERALD. Either one. They are synonymous, and by every known artifice imaginable. Newspaper releases of a critical nature with respect to these people have been coming from this committee, and public pronouncements which I have just described, which are very defamatory to my clients.

Most of these records that have been turned over voluntarily by the teamsters, I understand, have been, in turn, turned over to competing members who have instituted litigation in the courts of Washington. The turning over of these confidential papers and documents which were entrusted to the files of this committee for your review and study was clearly aimed at allowing the teamsters union to be wrecked.

I object to that. I think it is an infringement not compatible with any sound notion of due process of law. The very timing of this hearing on the first day of a trial involving the president-elect of this union in New York, in the Federal court, I think is something that isn't compatible with due process and the spirit of fair play.

I just want to object generally to that and announce to the committee that that is the reason I have advised my client to take the 4th amendment, the 5th amendment, and the 14th, and the other amendment dealing with cruel and unusual punishment.

The CHAIRMAN. Has counsel concluded?

Mr. FITZGERALD. I am through.

The CHAIRMAN. Thank you.

The resolution establishing this committee provides in section 2 that the committee shall adopt rules and procedures not inconsistent with the rules of the Senate. These are the rules adopted by the committee under the authority and direction of the resolution establishing the committee.

The rule adopted by the committee with respect to a quorum is section 3, which says:

For public sessions, any 2 members of the committee shall constitute a quorum for the administering of oaths and the taking of testimony. With the permission of the chairman and vice chairman, 1 member of the committee shall constitute a quorum for the administering of oaths and the taking of testimony in executive sessions.

The authority of the committee, the resolution providing for establishing it, provided that the committee shall adopt rules not inconsistent with the rules of the Senate. The committee has adopted such a rule. The rule is not inconsistent with the rules of the Senate. There are two members present. The Chair holds there is a quorum present, and, therefore, overrules that objection.

The objection as to disqualification because members of the committee may have expressed some opinion or given out some statement commenting upon evidence will certainly be overruled, because a committee composed of men who didn't have intellect enough to have an opinion after hearing testimony wouldn't constitute a very able committee, to say the least of it.

The right of free speech has not been denied to members of congressional committees as yet. There are some other provisions of the Constitution that counsel did not invoke for his client; and those provisions of the Constitution, I would say, protect the rights, not only protect the rights, but impose a duty upon this committee, because it must make reports, as a part of its function, and we shall continue the procedure we followed in the past.

Whatever statement a newspaper publishes or does not publish is something this committee has no control over, no direct control. As to television and radio, they are means of communication, just as much so as is the press of this country.

I don't believe your objection extended to the presence of the press. I think we would be charged with discriminating against 2 of the 3 important mediums of news and communication in this country if we ruled out the presence or the right of the radio and television to record the hearings, or to report the hearings. That objection will be overruled.

Under the rules of the committee, if the witness claims that he is distracted, or would be distracted, or made uncomfortable in the course of his testimony by reason of lights, or flash pictures, or something on that order, the committee will take that under consideration. In many instances we have granted the request.

I don't know whether counsel desires to make a specific request regarding that. I am not sure that he did in his objections. Unless a specific request is made, we shall proceed.

Mr. FITZGERALD. I want to just again reaffirm what I already said. I think it speaks for itself. I want to say that in the development of liberty an insistence on procedural regularity has been a large factor, and I have different views, perhaps, than the honorable chairman, as to what constitutes a constitutional gathering.

The CHAIRMAN. I believe we have. Our arguing about it here will not change the course of the committee. Unless you wish to make a specific objection to the lights or something, we will proceed.

Mr. FITZGERALD. I do make a specific objection to everything I have already enumerated.

The CHAIRMAN. May I ask you one question?

I think I heard you say that you were directing your client to take the fifth amendment, or advising him to do so.

Am I correct?

Mr. FITZGERALD. That is right.

The CHAIRMAN. The Chair, unless there is objection on the part of the other member of the committee present, rules that it shouldn't greatly disturb or inconvenience a witness if his only testimony is to take the fifth amendment. That will be the ruling of the Chair. Am I sustained?

All right, Mr. Counsel; proceed.

Mr. KENNEDY. Specifically, Mr. Kierdorf, could you tell us how long you have been a member of the teamsters union?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel. I assert my privilege under the fifth amendment to the United States Constitution.

Mr. KENNEDY. Have you been in the teamsters for about 10 years?

Mr. KIERDORF. I assert my privilege not to be a witness against myself.

Mr. KENNEDY. You are nephew of Herman Kierdorf?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution. I assert my privilege not to be a witness against myself.

The CHAIRMAN. Mr. Witness, we will all get along better if you will wait until the question is asked and then assert your privilege.

Mr. KENNEDY. He is also a business agent of the teamsters, is he not, in Detroit?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and assert my privilege under the fifth amendment to the United States Constitution, and assert my privilege not to be a witness against myself.

Mr. KENNEDY. He was the one that got you your job with the teamsters union?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel and I assert my privilege under the fifth amend-

ment to the United States Constitution and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. And he spoke to Mr. Hoffa and Mr. Hoffa appointed you in 332 in Flint?

Mr. KIERDORF. I respectfully decline to answer at this time upon advice of counsel and I assert my privilege under the fifth amendment to the United States Constitution and assert my privilege not to be a witness against myself.

Mr. KENNEDY. You took that job after coming out of prison for armed robbery, did you not?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. According to the testimony that we had here, you were trying to organize the Advance Electric Co. and put pickets out there without any advance notice; is that right?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. And those pickets were maintained out there for a period of 4 weeks, and then 3 or 4 days after Mr. Kamenow was retained by Advance Electric, those pickets were removed.

Will you explain that to us?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. And the Advance Electric Co. was told that they would have to pay a sum of \$2,000 to take certain of the teamster officials to the Rose Bowl game. Will you tell us anything about that?

Mr. KIERDORF. I respectfully decline to answer at this time upon advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Can you tell us why you removed the picket line from the Advance Electric Co.?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. And then the Royalite Electric Co. was also brought in on the arrangement and they were told that they wouldn't have any difficulty if they took the teamster officials to the Rose Bowl, and they paid \$2,000, I believe, in 1954, and then another \$2,000 in 1955.

Can you tell us anything about that?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. You never made any attempt to organize them; have you?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. And then the MacGregor Tire Co.—

Senator MUNDT. Before we leave that, were you one of the officials that Mr. Kamenow took to the Rose Bowl game?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution and I assert my privilege not to be a witness against myself.

Senator MUNDT. Let me ask you this: You are a union leader—that much you admitted—with local 332, business manager. I would assume that a business manager should be looking after the interests of his workers, the dues payers, in the matter of working conditions, in the matter of wages, in the matter of benefits.

Were you guilty of selling out the best interests of the union men in your union by taking money from Mr. Kamenow for your own personal benefit?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution and I assert my privilege not to be a witness against myself.

Senator MUNDT. Are you sure you want to leave that implication in the record, out across the country? If you take the fifth amendment to a question like that, certainly the members of your union would almost have to conclude that this sordid story that has been painted here—that Mr. Kamenow pays you off and then you sell down the river the members of your union—is a true story.

This is your great opportunity to deny it, and honestly deny it. Wouldn't you like to deny that, Mr. Kierdorf?

Mr. KIERDORF. I am acting upon the advice of my counsel. I am a layman with a limited education. I have no knowledge of legal or constitutional matters. I prefer to accept the advice of my counsel, Attorney Benedict FitzGerald, Jr. He is a former counsel to at least two congressional committees and a trial attorney for the Department of Justice. I have sought his advice and I expect to follow it.

Senator MUNDT. Well, your education is probably good enough so that you know the difference between yes and no.

I will ask you a simple little question that you and I can discuss, since neither one of us are lawyers. Were you and Mr. Kamenow engaged in a shakedown racket? Yes or no?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Senator MUNDT. This you can answer: Do you consider yourself an honest labor leader, trying to serve the interests of labor? Or are you a phony, just acting as a front for Mr. Kamenow, using your position to feather your own nest?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amend-

ment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Senator MUNDT. I have tried to give you an opportunity, Mr. Kierdorf, to straighten out the record. It has been built pretty badly in the last 2 days. I can't think of anyone else who can straighten it out.

When you go back to Detroit—Flint, or wherever you live—Mr. Fitzgerald is still going to be in his nice office in the National Press Building, but you are going to be back there with the men who, I assume, have looked to you as a business agent to represent them, and who, by your own testimony, you now are going to convince that you were selling them down the river.

If you want to do that, if you think that would be to your best interests, that is your privilege. You are old enough to be mature enough to have your own judgment, but I think this is a great opportunity for you, if you can, to say "Yes, I consider myself an honest labor leader. I am not engaged in a shakedown racket. I am not selling out the boys under me to feather my own nest. If I made any mistakes, they were innocent mistakes, but I am not engaged in that kind of racket."

Wouldn't you like to say that?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Senator MUNDT. I don't want to get personal, but I just want to suggest that I know a pretty good place where Jimmy Hoffa might start in this great cleanup campaign in which he is about to engage.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. The MacGregor Tire Co. was approached by Mr. Kierdorf, and he told them that he wanted to organize the company. They retained Mr. Kamenow and heard no more from Mr. Kierdorf or local 332 of the teamsters.

Can you tell us anything about that?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. And for those services, there was a regular retainer plus a sum of some \$500 that Mr. Kamenow said was needed to take some of these officials to Washington, D. C.

Did you come to Washington, D. C., at Mr. Kamenow's expense?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. And then in the Skaff Rug Co., where there was a great deal of violence, starting back in February 1956, and going on for a period of 4 or 5 months, where there were bombs thrown, fire bombs, places were put on fire, the people were beaten up, and one man was almost killed, at which time Mr. Kierdorf's car, or the car that was assigned to him by the teamsters union was recognized at the area in which there was an attempt to run over this man in the Skaff Rug Co.—can you tell us anything about that?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Some of the employees were signed up in the union, but then Mr. Kierdorf, according to the testimony, came back to sign up some more of the employees. With that, the Skaiff Rug Co. retained Mr. Kamenow and no longer heard from Mr. Kierdorf.

Can you tell us why you didn't go back and try to sign up the rest of the employees?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. And for that service, Mr. Kamenow said that there would be several charges of \$2,000 to take some of the boys on fishing trips and trips to Canada, and trips to the west coast.

Can you tell us anything about that?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Were you taken on any fishing trips up to Canada?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. And then the Otto P. Graff Co., the same type of situation; McDonald Dairy, where there was an attempt to organize it by the teamsters, and then Mr. Kamenow came into the picture and nothing more was heard by these companies from Mr. Frank Kierdorf or local 332 of the teamsters.

Mr. Kamenow said that there would be several charges of a couple of thousand dollars apiece to entertain these teamsters union officials.

Can you tell us anything about that?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Mr. Kierdorf, when Mr. Langenbacher of the committee staff first interviewed you out in Detroit, you agreed to execute an affidavit regarding your activities and your relationships with Mr. Kamenow. You did execute that affidavit.

I would like to ask you now whether the affidavit is true and correct?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

The CHAIRMAN. The Chair presents to you what purports to be the original affidavit, signed by you on the 19th day of August 1957, before Regina J. Lewis, notary public, taken in the State of Michigan, the city of Detroit.

I ask you to examine that affidavit and state if you identify it.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. FITZGERALD. May I say, if I may, to the distinguished chairman, that this is the first time I have seen this six-page thing. We might expedite matters if I could be furnished with a copy, and he will take the fifth amendment on that question, too. This is the first time I have seen it.

The CHAIRMAN. You may have a copy of it. There is no objection to that. Let me ask the witness a question.

Have the witness look at the signature.

(The witness conferred with his counsel.)

The CHAIRMAN. Examine your signature and examine the affidavit.

(The witness conferred with his counsel.)

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution and I assert my privilege not to be a witness against myself.

The CHAIRMAN. Have you examined the document?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

The CHAIRMAN. I asked you if you had examined the document.

(The witness conferred with his counsel.)

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel and I assert my privilege under the fifth amendment to the United States Constitution and I assert my privilege not to be a witness against myself.

The CHAIRMAN. Put that document right under his face, right under his eyes. Let the record show it is right before him.

Do you deny that you are looking at your signature, and the document the Chair has referred to?

(The witness conferred with his counsel.)

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

The CHAIRMAN. Let the record show that the document was before him, that his signature was exhibited right under his eyes before he made his answer.

Let me have the document.

(The document was returned to the committee.)

TESTIMONY OF IRWIN LANGENBACHER

The CHAIRMAN. Mr. Irwin Langenbacher, you have been previously sworn, have you?

Mr. LANGENBACHER. Yes, sir.

The CHAIRMAN. I present to you here an affidavit signed by Frank H. Kierdorf, dated this 19th day of August 1957, signed in the presence of Regina J. Lewis, a notary public.

I ask you to examine that document and state if you identify it.

(The document was handed to the witness.)

Mr. LANGENBACHER. Yes, sir, I identify the document.

The CHAIRMAN. Were you present when the document was prepared?

Mr. LANGENBACHER. Yes, sir. I dictated this affidavit in the presence of Mr. Kierdorf in Detroit, and in the presence of the lawyer, George FitzGerald, with the understanding that if I incorrectly dictated any of the items, he was to interrupt and make changes. He made a few changes, as it was dictated, and then after it was prepared he made one minor change in ink in which he originally stated he made 4 fishing trips, and he changed that to read 3. That was the only change he made. Then it was returned to me, signed and notarized.

The CHAIRMAN. He was present when it was dictated?

Mr. LANGENBACHER. Yes, sir.

The CHAIRMAN. And counseled you with respect to any errors that you committed in dictating it at the time?

Mr. LANGENBACHER. Yes, sir. I told him to interrupt me if I dictated anything improper.

The CHAIRMAN. He did interrupt at the time?

Mr. LANGENBACHER. A few times.

The CHAIRMAN. And corrections were made as he objected?

Mr. LANGENBACHER. Yes, sir. They were made by the stenographer.

The CHAIRMAN. Thereafter it was submitted to him for examination before signing?

Mr. LANGENBACHER. It was.

The CHAIRMAN. And he made one change in it then.

Mr. LANGENBACHER. Yes, sir.

The CHAIRMAN. Does that change appear on it?

Mr. LANGENBACHER. Yes, sir; and initialed by him.

The CHAIRMAN. Initialed by him?

Mr. LANGENBACHER. Yes, sir.

The CHAIRMAN. You were not present when the oath was administered to him?

Mr. LANGENBACHER. No, sir.

The CHAIRMAN. But he brought it back to you?

Mr. LANGENBACHER. It was sent back to me.

The CHAIRMAN. It was sent back to you?

Mr. LANGENBACHER. By his lawyer, George FitzGerald.

The CHAIRMAN. That affidavit may be printed in the record in full at this point.

(The affidavit referred to is as follows:)

STATE OF MICHIGAN.

City of Detroit:

AFFIDAVIT

I, Frank H. Kierdorf, business representative and organizer, Teamsters Local 332, Flint, Mich., voluntarily make this statement to Irwin Langenbacher, who has identified himself as assistant counsel, Senate Select Committee on Improper Activities in the Labor or Management Field. My home address is 613 West Stewart Avenue, Flint, Mich. I have been an organizer for local 332 during the past 8 years.

On three occasions, once each in 1953, 1954, and 1955, I accompanied George Kamenow on fishing trips to Montreal River, Ontario. On each occasion we were accompanied by Jack Thompson of local 332, and on 1 occasion we were accompanied by 2 men who are unknown to me, except that one was called Joe. These trips lasted from 5 to 8 days each. I paid my share of the expenses on each occasion, except that Kamenow paid for rental of the boat and the pro-

visions. I do not know the cost of the boat or provisions. On no other occasion has Kamenow ever paid, in whole or in part, for any pleasure trip, vacation trip, or business trip on my behalf. On two occasions, probably 1953 and 1954, Kamenow presented me with a \$25 Christmas gift certificate. He has never made me any other Christmas gift, money gift, or gift of any kind, nor has any money ever passed from Kamenow to me for any purpose.

I have made purchases charged to the account of George Kamenow at Sears, Roebuck in Flint, at Hubbard Hardware in Flint, and Kerns Department Store in Detroit, in order to obtain a discount. I do not know the reason why Kamenow made available this service, but it may have been for goodwill purposes. Some of my friends, associates, and relatives have made similar purchases through Kamenow's account after I had made the necessary arrangements. In each occasion payment was made in full, sometimes by check, sometimes by cash, sometimes the aforementioned relatives, associates, and friends paid Kamenow directly and some of them paid through me. On no occasion did I make a purchase on Kamenow's account as a gift from Kamenow.

About 1953 or 1954, I attempted to organize the salesmen and mechanics of Applegate Chevrolet Co. but did not succeed in obtaining a majority of the signatures necessary, and the attempt was dropped. I did not at any time discuss the organizational drive with Kamenow and he never attempted to induce me to discontinue. If Applegate ever paid any money to Kamenow to be expended on union officials, it is not within my knowledge, and I was not a recipient of any such money or of any form of entertainment for which it may have been expended.

An attempt was made to organize Auto P. Graff, Inc., about 1954. At one time we obtained the majority of salesmen's signatures, but before we could obtain recognition they changed their mind and withdrew. Kamenow was active in combating union influence, but did not discuss the matter with me. If Graff made payments approximating \$1,600 to \$1,800 to Kamenow in 1954, 1955, and 1956 for entertainment or expenses of union officials it is not within my knowledge and I have never heard anything of that nature. I was not the recipient of any such favor or consideration.

From time to time we have attempted to organize McGregor Tire Co. but we were never successful. I have no knowledge of any expenditures by Kamenow on behalf of McGregor Tire in favor of union officials for any form of entertainment, transportation, or for other reasons.

An attempt was made to organize Skaff Rug Co. probably about 1955 or 1956. I read in the paper and was questioned by city detectives relative to certain violence which occurred, such as assault and battery committed upon a Skaff truckdriver and sugar placed in truck gasoline tanks. I have no personal knowledge of these incidents. After the warehousemen and truckdrivers of the Skaff Co. were organized, a brief attempt was made to organize Skaff salesmen but the attempt was dropped. Kamenow was retained by Skaff, but I do not know at what time. We did not withdraw from the organizational attempt because of anything that Kamenow may have said to us, may have promised us, or may have given us. I have never heard that Skaff paid Kamenow or anyone else approximately \$2,000, or any other amount, for airline tickets for the benefit of union officials. I have no knowledge of such an incident nor was I a recipient of any airline tickets.

Flint Home Furnishing Co. and other furniture dealers in Flint have been organized. I have no knowledge of any money which may have been given to Kamenow or Labor Relations Associates by furniture dealers, or anyone else, to be used in the purchase of Christmas gifts for union officials.

We have attempted to organize McDonald Dairy for the past 8 years. In about 1955 we withdrew from an election upon request of certain McDonald employees who stated that we would have a better chance of success at a later time when the current contract between McDonald and the independent union expired. We did not withdraw because of any promises or favors of consideration from Kamenow or McDonald Dairy. I have no knowledge, nor have I ever heard, that McDonald paid Kamenow or Labor Relations Associates any moneys to be expended on behalf of union officials for fishing trips, baseball games, other forms of entertainment, or Christmas gifts, and I have never been the recipient of any such considerations.

I recall that Kelly Home Development Co. was picketed by carpenters a few years ago. It was never suggested to me by Kamenow or anyone else that the

teamsters cross the picket line of the carpenters, nor was any money offered me for this purpose. Kamenow never mentioned to me anything of this nature.

A few years ago we made an attempt to organize Advance Electric Co. We signed up two drivers but could not obtain a majority of the warehousemen. Advance refused to sign a recognition agreement and the company was picketed about 4 weeks. During this period Kamenow was retained as consultant by Advance, and he approached me on only one occasion at which he asked if we would be satisfied with union drivers employed by Advance or an independent trucking company who would do the hauling for them. The independent trucking company would have to absorb the two Advance drivers who had signed with our union. I agreed to this proposition. Kamenow never requested that we withdraw our pickets or that we discontinue organizational attempts in return for any favors that he might grant us such as a trip to the Rose Bowl game or consideration of any kind. Nor did we agree to discontinue picketing or organizational attempts provided Advance would contract their trucking to a firm in which Kamenow would have a part interest. Neither I, nor anyone else to my knowledge, subsequently suggested to Kamenow that he request money from Advance Electric for a trip to the Rose Bowl game or for other purposes.

Word was never sent out that we were to picket Royalite Electric Co., and we never refrained from such picketing or organizational attempt because of any consideration such as a trip to the Rose Bowl game or other favors. If Royalite ever made payments to Kamenow to be expended on behalf of union officials, it is not a matter within my knowledge and I was never a recipient of any such consideration.

About 1955 we organized the employees of Flint Sausage Works. During negotiations Kamenow was retained as a consultant by the Sausage Works. We did not grant a soft contract or any other favors to the company in return for any consideration or promises from Kamenow or from the company. Flint Sausage Works did not to my knowledge advance \$2,000 or any other money to Kamenow to finance a fishing trip for me or for any other union officials. In fact, I did not accompany Kamenow on a fishing trip during the summer of 1956. Kamenow never obtained, or attempted to obtain, to my knowledge, any free meat products for me from the Flint Sausage Works. As required, the proposed contract was submitted to the Michigan State Conference of Teamsters for approval, and to my knowledge it was not submitted to James Hoffa personally and I do not know that he played any part in the preparation or approval of the contract. The contract is a better one from the standpoint of union members than others in the area.

We had signed 10 or 11 drivers and warehousemen employed by Lovegroves Wholesale, Inc. and asked the company for a recognition agreement, and they refused to sign, stating that they were going out of business. I then asked for a recognition agreement to be delayed for a period of 6 months in order that we could determine whether they were actually going out of business. They refused to sign the recognition agreement and were picketed. The pickets were withdrawn because no deliveries were being made in or out of the plant. Cal Wooten was employed by Lovegroves and, in my opinion, he was discharged for union activity. Lovegroves stated that he was discharged because he did not have a driver's license and therefore could not work as a traveling salesman.

I am willing to submit for inspection by a representative of the Senate select committee my personal financial records.

I have read the above statement and it is true to the best of my knowledge and belief.

(Signed) FRANK H. KIERDORF.

Subscribed and sworn to before me, a notary public, this 19th day of August 1957.

[SEAL]

(Signed) REGINA J. LEWIS, *Notary Public*.

My commission expires April 12, 1960.

Mr. FITZGERALD. If the Chair please, would the record also demonstrate that the Fitzgerald identified by Mr. Langenbacher is not the FitzGerald who appears here today? I am Benedict FitzGerald. I don't know anything about that six-page thing.

The CHAIRMAN. He said George Fitzgerald. The record will reflect that. It is not the counsel who appears here today.
Is there anything further?

**TESTIMONY OF FRANK H. KIERDORF, ACCOMPANIED BY COUNSEL,
BENEDICT F. FITZGERALD, JR.**

Mr. KENNEDY. The important matter developed or explained in the affidavit is the reason why you abandoned these organizational drives after they had begun on these various businesses in Flint, Mich.

Can you give us any explanation of any of that?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment of the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Although some of these companies are mentioned in the affidavit, I do not believe you were able, even at that time, to give any explanation as to why you abandoned the drive of the Advance Electric Co. or the MacGregor Tire Co., or Otto P. Graff, Inc., and some of these other companies.

Do you have any explanation?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. There is one more matter.

According to the information that we have, Mr. Kamenow had a charge account for Mr. Kierdorf and certain of the other union officials at the Sears, Roebuck Co., at the Hubbard Hardware Co., which I understand is nonunion, and Kern's Department Store, which I understand is also nonunion.

Can you tell us about those charge accounts that were kept by Mr. Kamenow for you at those stores?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be witness against myself.

The CHAIRMAN. Mr. Kierdorf, is there any question that we have overlooked that we might ask you, that you would answer?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

The CHAIRMAN. I didn't want you to be a witness against yourself.

Is there any question we can ask you where you can give an answer and not be a witness against yourself?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment of the United States Constitution, and I assert my privilege not to be a witness against myself.

The CHAIRMAN. Do you feel under any obligation or sense of conscience at all to give an account of your stewardship in the position you occupy in the union to those men and women who worked and who pay the dues, whom you represent?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

The CHAIRMAN. Do you think one who occupies your position who will not give an accounting of his stewardship with respect to his position with a labor organization—do you think he is worthy of continued trust and confidence?

Mr. KIERDORF. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and the first—

The CHAIRMAN. Are there any further questions?

The committee will recess. We will have to take a little longer recess period this time than usual.

The witness will stand aside.

The committee will stand in recess until 2:30.

(Members of the select committee present at time of recess: Senators McClelland and Mundt.)

(Whereupon, at 12:15 p.m. the select committee recessed, to reconvene at 2:30 p.m. the same day.)

AFTER RECESS

(The select committee reconvened at 2:30 p. m., Senator John L. McClelland (chairman) presiding.)

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session: Senators McClelland and Mundt.)

The CHAIRMAN. Mr. Kennedy, call the next witness.

Mr. KENNEDY. Mr. Jack Thompson, please.

The CHAIRMAN. Mr. Jack Thompson, will you come forward?

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. THOMPSON. I do.

TESTIMONY OF JACK D. THOMPSON, ACCOMPANIED BY COUNSEL, BENEDICT F. FITZGERALD, JR.

The CHAIRMAN. State your name and your place of residence and your business or occupation.

Mr. THOMPSON. Jack Thompson, 321 Westmoreland Drive, Flint, Mich.

The CHAIRMAN. I didn't get your address.

Mr. THOMPSON. 321 Westmoreland Drive, Flint, Mich.

The CHAIRMAN. Do you have an occupation or business?

Mr. THOMPSON. With all due respect to the gentlemen constituting this committee, I respectfully decline to answer upon advice of counsel. In declining, I am asserting my privileges under the fourth, the fifth, the eighth amendments to the Constitution of the United States.

The CHAIRMAN. The fourth and eighth amendment objection is overruled. The committee, I believe, does not recognize that as giving a witness a right not to answer. The fifth amendment, if you

invoke that, that is your privilege. The others, I do not think, are applicable to this situation.

You have counsel present?

Mr. THOMPSON. I do.

The CHAIRMAN. Counsel, you may identify yourself for the record.

Mr. FITZGERALD. My name is Benedict F. FitzGerald, Jr., attorney at law, with offices at suite 1152 National Press Building, Washington, D. C.

The CHAIRMAN. Do you honestly believe if you disclose your business or your profession or occupation that such disclosure might tend to incriminate you?

Mr. THOMPSON. The answer is "Yes."

Mr. FITZGERALD. May I make a statement for the record?

The CHAIRMAN. A brief one.

Mr. FITZGERALD. I just want to adopt by reference everything that—every objection that I made when I appeared this morning with the previous witness, Mr. Frank Kierdorf.

The CHAIRMAN. All right.

Mr. FITZGERALD. I wish to adopt everything that I said there.

The CHAIRMAN. Counsel interposes by reference the same objections at the beginning of the interrogation of this witness that he interposed this morning at the time when we were hearing the witness Mr. Kierdorf. The same rulings by the committee will be noted in the record.

Senator MUNDT. Mr. Chairman. Did you say, Mr. Thompson, that you honestly believed that if you were to tell this committee what your occupation is, it would tend to incriminate you?

Mr. THOMPSON. I am acting upon the advice of my counsel. I am a layman with limited education, and I have no knowledge of legal or constitutional matters. I prefer to accept the advice of my counsel, attorney Benedict F. Fitzgerald, Jr., who was a former counsel to at least two congressional committees and an attorney with the Department of Justice. I have sought his advice and I expect to follow it.

Senator MUNDT. That doesn't answer my question. You can advise with counsel, and you can read his biography as often as you want to, but I want you to answer my question—

Mr. THOMPSON. I respectfully—

Senator MUNDT. Whether you honestly believe that telling this committee what your occupation is would tend to incriminate you on the basis that that occupation was something which would be incriminatory if we knew about it.

(The witness conferred with his counsel.)

Senator MUNDT. I say that, Mr. Thompson, because I was not under the impression that you were a criminal or a crook. If you are, that is one thing. If you have a legitimate means of occupation, that is another. But you cannot take recourse in the fifth amendment unless you honestly believe that to answer the question truthfully would tend to incriminate you, which obviously must mean that you are engaged in some kind of illegal occupation.

If you are, I don't want you to confess to kidnapping or narcotics trade, or bank robbery or anything else. If you are not, you should be willing to tell us what your occupation is.

(The witness conferred with his counsel.)

Mr. THOMPSON. My attorney advises me that there may be a technical matter of waiving the privilege in answering that question.

Senator MUNDT. Why would that be any more a technical matter than telling us where you live?

Mr. THOMPSON. Ask the attorney; I am taking his advice.

Senator MUNDT. The attorney is doing a lot of voluntary testifying, but he is not the witness and I would like to ask you. I wish the attorney would respond to his witness' inquiries, please, and not volunteer answers to every question that I ask.

Now, Mr. Thompson, just between the two of us, is there really something about your occupation that would incriminate you? Do you honestly think so?

Mr. THOMPSON. My attorney advises me that there might be a technical matter of waiving the privilege if I answered the question.

Senator MUNDT. Mr. Chairman, I think that you should order this witness to answer that question; if there is a pertinent question which anybody could ask, that is it.

I think that we might want to have it for future reference in the record.

The CHAIRMAN. I believe that he answered the question once; yes.

Senator MUNDT. Not with reference to taking honest recourse. He has relied on some technicality.

The CHAIRMAN. The Chair thought he asked him a similar question and he answered "Yes," and that is what I thought he said. You are just interrogating him further about it.

Senator MUNDT. If you can find it in the record, I would like to have it read back.

The CHAIRMAN. We will take a moment to do that.

(Whereupon, the reporter read the following question and answer:)

The CHAIRMAN. Do you honestly believe if you disclose your business or your profession or occupation that such disclosure might tend to incriminate you?

Mr. THOMPSON. The answer is "Yes."

The CHAIRMAN. He has already answered that question and it is a matter of record and under oath.

All right, Mr. Counsel; proceed.

Mr. KENNEDY. Mr. Chairman, Mr. Jack Thompson is the recording secretary and business agent for teamster local 332 in Flint, Mich., and he has been called before the committee to ascertain what information he might have regarding the activities of the teamsters local in connection with the nine businesses about which were testified yesterday. Those were the efforts by the teamsters to attempt to organize these businesses, and then the businessmen contacted Mr. George Kamenow, and those organizational efforts were called off.

According to the testimony, Mr. Kamenow was paid several thousand dollars in each case which he was to pass on to certain of these union officials, either through gifts, entertainment, or for trips to Canada, the Rose Bowl, and to the west coast and to New York.

I would like to ask Mr. Thompson just generally what information he has regarding the activities of Mr. George Kamenow. Can we start out with that? Could you answer that, Mr. Thompson?

Mr. THOMPSON. I respectfully decline to answer at this time, upon the advice of counsel. I assert my privileges under the fifth amendment to the United States Constitution. I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Well, Mr. Chairman, we have had testimony and we have already gone into the matter with Mr. Kierdorf, but regarding the Advance Electric Co., where there were pickets outside the company for 4 weeks, and then Mr. Kamenow was retained and the pickets were called off within 3 or 4 days, with the understanding a \$2,000 payment would be made to bring some of these union officials to the Rose Bowl.

Do you know anything about that, Mr. Thompson?

Mr. THOMPSON. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution.

Mr. KENNEDY. Then the same thing for the Royalite Electric Co., although there weren't pickets. There was an arrangement made with Mr. Kamenow that if certain payments were made, \$2,000 each year, to bring these officials to the Rose Bowl game, that they would not be organized. That company has not been organized and it is still non-union.

Can you tell us anything about that?

Mr. THOMPSON. I respectfully decline to answer the question at this time based upon the advice of counsel and I assert my privilege under the fifth amendment to the United States Constitution. I assert my privilege not to be a witness against myself.

Mr. KENNEDY. And then another case was the MacGregor Tire Co., which was very similar to the Advance Electric Co. The Applegate Chevrolet Co. and Kelly Development Co., the Skaff Rug Co., the McDonald Dairy, Otto P. Graff—can you tell us anything about the organizational drives against any of those companies and why they were called off?

Mr. THOMPSON. I respectfully decline to answer the question at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Mr. Thompson was interviewed by Mr. Langenbacher of the staff, and admitted at that time that he had taken a number of trips with Mr. Kamenow, fishing trips up into Canada.

At that time he was requested and he agreed to furnish an affidavit, a sworn affidavit, which we have, and I would like to ask you, Mr. Thompson, whether this sworn affidavit is correct and true?

Mr. THOMPSON. I respectfully decline to answer the question upon the advice of counsel, and I assert my privileges under the fifth amendment to the United States Constitution and I assert my privilege not to be a witness against myself.

The CHAIRMAN. I present to you the original affidavit signed "Jack Donnelly Thompson," dated the 19th day of August 1957, sworn to before Regina J. Lewis, a notary public, and I will ask you to examine this document and state if you identify it.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. THOMPSON. I respectfully decline to answer at this time upon the advice of counsel and I assert my privilege under the fifth amendment to the United States Constitution, and assert my privilege not to be a witness against myself.

The CHAIRMAN. Have you examined the document?

Mr. THOMPSON. I have.

The CHAIRMAN. Is your signature on the document?

Mr. THOMPSON. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

TESTIMONY OF IRWIN LANGENBACHER—Resumed

The CHAIRMAN. Mr. Langenbacher, did you secure this affidavit?

Mr. LANGENBACHER. I did.

The CHAIRMAN. Who was present when the affidavit was prepared?

Mr. LANGENBACHER. My secretary and Mr. Thompson, and Mr. Kierdorf; and their lawyer, Mr. George Fitzgerald, of Detroit.

The CHAIRMAN. Was the witness given an opportunity to assist in the preparation of the document?

Mr. LANGENBACHER. Yes, sir; we first discussed his testimony and then I dictated it to the stenographer in his presence, with the understanding that he could interrupt at any time if I was preparing it improperly.

He also had the opportunity to make any corrections after it was written.

The CHAIRMAN. Did he make any corrections?

Mr. LANGENBACHER. Yes, sir; he originally stated that he had accompanied George Kamenow on 4 fishing trips to Canada, and he changed that to read 3 fishing trips to Canada. He made no other corrections.

The CHAIRMAN. The affidavit may be printed in full in the record at this point.

(The affidavit referred to is as follows:)

STATE OF MICHIGAN,

City of Detroit, ss:

AFFIDAVIT

I, Jack Donnelly Thompson, recording secretary and business agent, teamsters local 332, Flint, Mich., voluntarily make this statement to Irwin Langenbacher, who has identified himself as assistant counsel, Senate Committee on Improper Activities in the Labor-Management Field. My home address is 321 Westmoreland Drive, Flint. I have been an officer of the Flint local since about 1946. Claude Sutton is in charge of local 332 and is my immediate superior.

I have just heard the statement dictated for the signature of Frank Kierdorf and, to the best of my memory, it is true in all respects. I accompanied George Kamenow on 3 fishing trips to Montreal River, Ontario, which took place once a summer from 1953 to 1955. Kamenow paid the rental on the boat and paid for the food and provisions. All other expenses, including travel, were shared equally.

On two occasions we traveled to Montreal River in Kamenow's car, and on the other occasion we traveled in my car. I have never traveled with Kamenow by air on any occasion. Kamenow has never asked anything in return, nor has he ever on any time suggested or hinted any type of irregular deal, such as a payoff in the form of money or favors in connection with the union's relationship with Kamenow's clients.

On one occasion at the Chez Paree in Chicago and on one occasion at the Elmwood Casino in Windsor, Ontario, Kamenow picked up the check covering dinner parties for Claude Sutton, Frank Kierdorf, and me. Our wives were also present at the Elmwood. On no other occasion did he ever expend any money on my behalf, except for such things as lunches during negotiations.

I do not handle contracts with any of the Flint companies that were discussed with Mr. Kierdorf, and I took no part in the organizational attempts except that on occasions I may have worked in the picket lines. To my knowledge, Kamenow has never attempted any kind of payoff in money or other considerations in connection with any of the Flint companies which have been mentioned.

I will make my personal financial records available for examination by a representative of the Senate committee.

I have read the above statement and it is true to the best of my knowledge and belief.

JACK DONNELLY THOMPSON.

Subscribed and sworn to before me, a notary public, this — day of August 1957.

————, *Notary Public.*

My commission expires ———.

Mr. FITZGERALD. May the record show that the Fitzgerald that you have identified, Mr. Chairman, is not the Fitzgerald who is here today. I am Benedict Fitzgerald.

The CHAIRMAN. I think the witness testified it was Mr. George Fitzgerald. The record will so reflect.

All right, Mr. Counsel.

**TESTIMONY OF JACK D. THOMPSON, ACCOMPANIED BY COUNSEL,
BENEDICT F. FITZGERALD, JR.—Resumed**

Mr. KENNEDY. If there are any questions in connection with Mr. George Kamenow that you would be willing to answer——

Mr. THOMPSON. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution and I assert my privilege not to be a witness against myself.

Mr. KENNEDY. Or any questions you were asked regarding why organizational drives were called off, organizational drives of local 332 of the teamsters?

Mr. THOMPSON. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution. I assert my privilege not to be a witness against myself.

The CHAIRMAN. There has been a considerable amount of testimony here regarding payments made for entertainment and other purposes to Mr. Kamenow. That is through Labor Relations Associates for entertainment and for trips to football games, and Rose Bowl games, and for fishing trips, and trips to Washington for which the clients of LRA were billed and for which the clients paid, some 8 or 9 companies here whose representatives have been interrogated at these hearings.

I do not recall the exact amount, but if I am not mistaken it is something over \$30,000 that comes within that category. Am I correct, Mr. Counsel?

Mr. KENNEDY. \$27,000, I believe.

The CHAIRMAN. All right, \$27,000. Did you get any of that money?

Mr. THOMPSON. I respectfully decline to answer at this time upon the advice of my counsel, and I assert my privilege under the fifth amendment to the United States Constitution and I assert my privilege not to be a witness against myself.

The CHAIRMAN. As a labor union official, having a duty and responsibility to the membership that pay their dues and support you and have you as their spokesman and representative, can you tell this committee whether and if any laboring man who is a member of your union benefited 1 dime from this \$27,000?

Mr. THOMPSON. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution and I assert my privilege not to be a witness against myself.

The CHAIRMAN. Do you have any conception or conscience or sense of obligation to the membership of your union, who work and pay the dues to make an accounting to them for your stewardship in the handling of their affairs?

Mr. THOMPSON. I respectfully decline to answer the question at this time, based on the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution.

The CHAIRMAN. Senator Mundt?

Senator MUNDT. In a more communicative mood, Mr. Thompson, when you made this affidavit which you signed and swore to, you included this statement:

I have just read the statement dictated for the signature of Frank Kierdorf, and, to the best of my memory, it is true in all respects.

There was a statement in the affidavit in which Mr. Kierdorf admitted some of these trips—taking union officials on certain junkets. You say in this affidavit, as I read it, that this was true in all respects. Do you wish to deny it now?

Mr. THOMPSON. I respectfully decline to answer the question at this time based upon the advice of counsel, and I assert my privilege under the fifth amendment of the United States Constitution, and I assert my privilege not to be a witness against myself.

Senator MUNDT. You also say that—

Claude Sutton is in charge of local 332 and is my immediate superior.

May we conclude from that that Mr. Sutton was kept fully advised of these various trips that you took at the generosity of George Kamenow, and the various times that you were entertained in the Chez Paree and other places? Did you keep your immediate superior informed of that fact?

Mr. THOMPSON. I respectfully decline to answer at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution. I assert my privilege not to be a witness against myself.

Senator MUNDT. Is it fair to conclude that when you were accepting these gifts, or these manifestations of generosity, from Mr. Kamenow, who was in the business of keeping unions out of plants, that you were faithfully carrying out the instructions of Mr. Sutton, who, presumably would be interested in having unions installed in plants, and in having union labor employed rather than nonunion labor?

Mr. THOMPSON. I respectfully decline to answer the question at this time upon the advice of counsel, and I assert my privileges under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Senator MUNDT. Since you were a business manager of 332, and Mr. Kierdorf was a business manager of 332, and since Mr. Claude Sutton is in charge of local 332, can you tell us that Mr. Sutton also participated in this strange manifestation of consideration that this union-busting Mr. Kamenow had for you fellows who were supposed to be building up the union?

Mr. THOMPSON. I respectfully decline to answer the question at this time based upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Senator MUNDT. Is it considered good and acceptable labor union practice in Flint, Mich., for the men who are supposed to be representing the dues-paying members to accept gifts and considerations from men who are working against the interests of the dues-paying members, men like Mr. Kamenow?

Mr. THOMPSON. I respectfully decline to answer the question at this time upon the advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution, and I assert my privilege not to be a witness against myself.

Senator MUNDT. Is there anything that you can say, Mr. Thompson, in defense of yourself, to make yourself look a little better to the union members up at Flint than your testimony has recently indicated?

I want to give you an opportunity to straighten out the record, because if I were a dues-paying member up at Flint, I wouldn't like what you have said now very well. I am not trying to get you in any trouble with the boys who pay your salary, but you are just parroting a phrase over and over again which may sound kind of highfaluting here in Washington but may not set so well with the people back in Flint. I want to give you every chance to say anything you want to now in defense of yourself. Is there anything you can think of?

Mr. THOMPSON. I respectfully decline to answer the question at this time based upon the advice of counsel and I assert my privilege under the fifth amendment to the United States Constitution.

Senator MUNDT. You are perfectly content to leave the record stand as it is? The answer is "Yes"?

Mr. THOMPSON. I respectfully decline to answer the question at this time based upon the advice of counsel and I assert my privilege under the fifth amendment to the Constitution of the United States.

The CHAIRMAN. Do you support honest unionism?

Mr. THOMPSON. I respectfully decline—

The CHAIRMAN. Or do you support crooked unionism?

Mr. THOMPSON. I respectfully decline to answer the question at this time based upon the advice of counsel and I assert my privilege under the fifth amendment.

Senator MUNDT. Do you know a Mr. James R. Hoffa?

Mr. THOMPSON. I respectfully decline to answer the question at this time based upon the advice of counsel, and I assert my privileges under the fifth amendment.

Senator MUNDT. Is there something about his record which would be incriminating if you were recognized as a friend of his?

Mr. THOMPSON. I respectfully decline to answer the question at this time based upon the advice of counsel, and I assert my privileges under the fifth amendment.

The CHAIRMAN. Do you believe in crooked management?

Mr. THOMPSON. I respectfully decline to answer the question at this time based upon the advice of counsel, and I assert my privileges under the fifth amendment to the United States Constitution.

The CHAIRMAN. Do you subscribe to the Ethical Practices Code of the AFL-CIO?

Mr. THOMPSON. I respectfully decline to answer the question at this time upon advice of counsel, and I assert my privilege under the fifth amendment to the United States Constitution.

The CHAIRMAN. What kind of laws do you suggest be enacted to deal with people like you?

(The witness conferred with his counsel.)

Mr. THOMPSON. With all due respect to the two gentlemen, I decline to answer upon advice of counsel. In declining, I assert my privileges under the first, fourth, fifth, and eighth amendments of the Constitution of the United States.

The CHAIRMAN. First, fourth, and eighth amendments?

Mr. THOMPSON. Fifth and eighth.

The CHAIRMAN. I am saving eighth. Those three are overruled. We will keep you on the fifth.

Proceed.

Senator MUNDT. Mr. Thompson, are you a supporter of the Taft-Hartley Act?

(The witness conferred with his counsel.)

Mr. THOMPSON. With all due respect to the two gentlemen constituting this committee, I respectfully decline to answer on the advice of counsel. In declining, I assert my privileges under the first, the fourth, the fifth, and the eighth amendments to the Constitution of the United States.

Senator MUNDT. Would you be in favor of a so-called national right-to-work law?

Mr. THOMPSON. With all due respect to the two gentlemen constituting this committee, I respectfully decline to answer the question upon advice of counsel. In declining, I assert my privilege under the first, fourth, fifth, and eighth amendments to the United States Constitution.

The CHAIRMAN. The first, fourth, fifth, and eighth are overruled—the first, fourth, and eighth. The fifth you may stand on.

Is there anything further?

If not, you may stand aside.

Call the next witness.

Mr. KENNEDY. Mr. Nathan and Shelton Shefferman, Mr. Chairman. May we call them both at the same time?

The CHAIRMAN. All right.

(Committee members present at this point: Senators McClellan and Mundt.)

The CHAIRMAN. You two witnesses, Mr. Nathan and Mr. Shelton Shefferman, will be sworn.

Do you and each of you solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. NATHAN SHEFFERMAN. I do.

Mr. SHELTON SHEFFERMAN. I do.

The CHAIRMAN. Be seated.

TESTIMONY OF NATHAN W. SHEFFERMAN AND SHELTON SHEFFERMAN, ACCOMPANIED BY COUNSEL, STANFORD CLINTON

Mr. CLINTON. Mr. Chairman?

The CHAIRMAN. Let me identify the witnesses first.

Mr. CLINTON. Yes, sir.

The CHAIRMAN. Mr. Nathan Shefferman, will you state your name, your place of residence and your business or occupation?

Mr. NATHAN SHEFFERMAN. Nathan W. Shefferman, 1000 Lake Shore Drive, Chicago, labor relations and personnel consultant.

The CHAIRMAN. Thank you.

Mr. Shelton Shefferman, will you state your name, your place of residence, and your business or occupation?

Mr. SHELTON SHEFFERMAN. Shelton Shefferman, 1148 Slokie Ridge Drive, Glencoe, Ill. I am a labor-relations and personnel consultant.

The CHAIRMAN. Gentlemen, you have counsel present?

Mr. SHELTON SHEFFERMAN. Yes, sir.

The CHAIRMAN. Counsel, you may identify yourself.

Mr. CLINTON. My name is Stanford Clinton, 134 North LaSalle Street, Chicago, Ill. I should like to address you when the time is appropriate, Mr. Chairman.

The CHAIRMAN. All right. Mr. Clinton, you may proceed.

Mr. CLINTON. Mr. Chairman——

The CHAIRMAN. I hope you will make it brief.

Mr. CLINTON. I will try to be brief, sir.

The CHAIRMAN. Thank you very much.

Mr. CLINTON. I respectfully request that the appearance of these witnesses before your distinguished committee be continued generally and, if I may, sir, I should like to state the reasons for the request.

The CHAIRMAN. You may do so.

Mr. CLINTON. On June 13, 1957, a grand jury returned an indictment in the United States District Court for the Western District of Washington, Southern Division. It is a multiple-count indictment. The principal defendant named in five substantive counts is identified in the indictment as one David D. Beck, and the indictment also states that he is sometimes or also known as Dave Beck.

The first five counts of that indictment, Mr. Chairman, charge Mr. Beck with substantive violations against the revenue laws of the United States. The sixth count of that indictment charges that these two witnesses here today, namely Mr. Nathan W. Shefferman and Mr. Shelton Shefferman, combined and conspired with Mr. Beck to assist him in evading his income taxes for a period of some 10 years.

Mr. Chairman, I don't know about Mr. Beck, as to whether or not he is guilty of the offenses charged, but I do state quite confidently and quite positively that these witnesses in no wise and in no way combined or conspired to assist Mr. Beck in evading his income taxes. They are wholly innocent of those charges.

Not only that, Mr. Chairman, but I think you and your committee should know, because it may be relevant to your consideration of our motion, that the return of the indictment against the Sheffermans constitutes a gross breach of faith by the Department of Justice, because on two separate and distinct occasions they assured me that the Sheffermans were not targets of an indictment, and, based on

those representations, they testified before the grand jury in the city of Tacoma. Not only were they indicted, Mr. Chairman, but their very appearance before that grand jury was recited as overt acts, 23d and 24th indictment.

Now, Mr. Chairman, I do think I should say that there is nobody who has appeared before this committee who has been more wholly cooperative than Mr. Nathan Shefferman. You will recall that he testified at great length and in great detail some months ago before your committee. I think you must know that he turned over without limitation or restraint of any sort all of the records of his company and of himself and of his son, for the use and assistance of this committee in the framing of new litigation and arriving, as the distinguished chairman has frequently said, at the facts surrounding the present labor-relations situations in the United States.

Mr. Chairman, I represent to you, based on some 25 years of active practice of the law, that to require them to testify now, with the impendency of this indictment, would deprive these men of their right to a fair and impartial trial, as that concept is understood in our system of jurisprudence.

Since this committee has been in session, Mr. Chairman, the business of the Sheffermans is in ruins. The health of the senior Shefferman is seriously impaired. His reputation is besmirched. He now stands in the dock accused of violating the laws of the United States.

I don't want it to be understood, Mr. Chairman, as asking for sympathy for the Sheffermans. If the Sheffermans were to testify, Mr. Chairman, they would do so honorably and honestly and responsibly, something that some of the witnesses who have testified under oath here have not done. The Sheffermans are, I grant you, expendable in the quest of this committee, to frame legislation in this delicate, highly dynamic, and highly explosive field of labor relations. But their right, may it please the Chair, to a fair, impartial trial is not expendable. This, I would say, is a matter of paramount concern anywhere, any place in this broad and beautiful land of ours. This they would be deprived of, if compelled here to testify.

I simply want to add this: This is an inquiry, this is an investigation. It is not in any sense a trial. That vast system of safeguards and protection which our law has developed for the protection of a man accused of an offense, to insure him of a fair trial, are not present here. He doesn't have the right of cross-examination, he doesn't have the right of confrontation, doesn't have the right to present witnesses. He would be deprived, Mr. Chairman, of all of those very invaluable rights that we pride ourselves of in dealing with a criminal proceeding.

So, Mr. Chairman, with utmost deference and utmost respect, I urge and respectfully request that the committee generally defer the appearance of these two witnesses before your distinguished committee.

The CHAIRMAN. Thank you very much, Mr. Clinton.

The Chair, in behalf of the committee, wishes to express appreciation for the courteous, the dignified and fair manner in which you present the motion on behalf of your clients. The Chair once tried to practice law a little himself, and understands the relationship between client and counsel, and also the relationship between the court or any other tribunal and counsel who may appear before it.

I think if this committee should today go into any matter that is involved in the indictment to which counsel referred, we would at least incur the risk of being unfair to the witnesses before us. I wouldn't want any question asked that might go into the matter of, as I understand, 1 count in the indictment, count No. 6, if I didn't misunderstand counsel, in the indictment of Mr. Beck, after he was indicted on 5 counts for evading income taxes.

The charge in the sixth count against the Sheffermans, as I understand counsel, charges them with a conspiracy or having conspired with Mr. Beck for Mr. Beck to evade the payment of income tax. I see no relation between that and the matters here before this committee, about which we desire to interrogate these two witnesses today, and will instruct counsel not to interrogate these witnesses regarding their relationship with Mr. Beck insofar as it may have involved any of Mr. Beck's finances. But we have heard considerable testimony here the last 2 or 3 days regarding incidents out in Flint, Mich., and we have a number of documents here that have been placed in the record, growing out of this testimony and the conditions that surround Flint, Mich.

To interrogate him about these particular incidents and the matters that we have been inquiring into here, certainly have no direct, and I can see no remote, relation to any act of theirs or alleged act of theirs in conspiring with Mr. Dave Beck regarding Mr. Dave Beck's income taxes.

I want to be fair. We have this situation: When we had Mr. Hoffa before the committee, he was under indictment for some acts at that time; I believe only one indictment at that time. I believe he may have been indicted subsequently on another charge. But I can see no relation between the information the committee desired from him and the charge of wrongdoing, or the offense charged in that indictment.

In that instance, I ruled, and the committee sustained the Chair, that we should proceed. It might take this committee a very long time to do its work if we are to defer indefinitely the testimony of witnesses where that testimony is desired and where that information is pertinent just because they happen to be indicted on some other offense. Where it is not related, I do not see how the committee can conscientiously, in the performance of its duty, inconvenience itself and the Congress of the United States by delaying its effort to get that information that the Congress and the Senate, at least, expected this committee to develop.

I would be very glad to hear from my colleague on the committee. He says he is not a lawyer, but we think we have a sense of right and wrong without knowing the technicalities of law, so I will be very glad to hear from my colleague.

Senator MUNDT. I would like to say this, Mr. Chairman, to Mr. Clinton: First of all, I support wholeheartedly the position which has just been announced to you by the chairman that we should not jeopardize the interests of your client by seeking to interrogate on matters relating to the specific indictment which you have recited.

We have consistently followed the practice in the past when cases of this kind do come up, of not asking questions with respect to the objection raised by counsel which place their clients in jeopardy in connection with an impending indictment.

I would like to point this out, also: That we have had witnesses who, while they may not have confronted Mr. Shefferman or his son directly, have appeared before the committee as a matter of public record, and you could have been in the committee room to hear what was said. It would seem to me that if, as you stated, the two Sheffermans have been embarrassed and their business is in a shambles and they have been placed in the dock of public opinion in an unfavorable light, and if they are as innocent as your presentation leads me to believe you believe they are, they should welcome an opportunity to answer certain questions which we have in mind, which are entirely unrelated to Mr. Beck and his financial affairs.

Mr. CLINTON. Mr. Chairman, I do not want to press my luck. You have been most gracious. But I do think that I ought to call to your attention that a very substantial portion of the inquiry by the representatives of the Department of Justice before the grand jury in Tacoma dealt with the previous interrogations of this committee.

I can say to you, sir, that it is my considered judgment that any questions put here with respect to the activities of these people would be similarly used upon trial in the criminal case. I might say, sir, that I think that it would deal with a matter of motive, and it would deal with matters which would be clearly within the scope of the Government's proof upon the criminal trial.

I just want to add this, sir: I have the primary responsibility of defending two men who stand indicted. I think this is a very serious and sacred responsibility for a member of the bar. I must say to you that I insist, as these men's counsel, that they must not testify, and if you feel to the contrary, sir, I am now advising them in your presence and in the presence of Senator Mundt, that they should and ought to claim their privileges under the fifth amendment of the Constitution, so that they will not interfere with or prejudice their right to a fair and impartial trial.

The CHAIRMAN. Counsel has been very fair to the committee, and we appreciate that. They have that privilege, of course, and they may exercise it. As counsel knows, committees can set precedents just as well as courts, and I hope we can keep this committee operating without any great inconsistencies in its rulings and in its procedure with respect to all witnesses who may come before it.

The Chair having stated his ruling, which has been agreed to by the other member of the committee present, we will have to proceed. The objections or the motion will be overruled for the reasons that the Chair has stated. Again the Chair will instruct counsel not to ask questions regarding the matters that were brought before the committee at the time when Mr. Shefferman testified before, except as to those matters that we have been hearing testimony about during this series of hearings.

I do not want to ask any questions, and the Chair will be prepared to rule if any are asked that might or that the Chair can see, at least, have any direct bearing upon the issues involved in the pending indictment.

All right, Mr. Counsel, proceed.

Mr. KENNEDY. I am wondering, Mr. Shefferman, if there is any correction you want to make in your testimony that you gave the last time that you testified here?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. For instance, regarding the relationship of your company with the teamsters union, you first answered a question from a member of the committee that your firm did very little negotiating and actually had very little to do with labor unions as such, and what you did was to go in and promote morale surveys, and things of that type.

Now, according to our investigation, that is not a complete or truthful answer, and I wondered if you wanted to change that at all.

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the ground that my answer might tend to incriminate me.

Mr. KENNEDY. Then, you were asked about whether you had handled any negotiating yourself with the teamsters union, and you said those matters were handled by company lawyers and you never touched them, or never even got near them.

Now, is that a direct or truthful answer?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the ground that my answer might tend to incriminate me.

Mr. KENNEDY. We have here a number of contracts and here is just one as an example, signed by you, Nathan Shefferman, a contract with the teamsters union.

The CHAIRMAN. This appears to be a contract between Carbonated Beverage's Sales-Drivers, Lake County, Ind., and General Drivers, Warehousemen, and Helpers Union, Local No. 142, an affiliate of the International Brotherhood of Teamsters, Chauffeurs, and so forth. The contract appears to be dated the 3d of September 1955, and bears the signature under the words "Approved as to form," of Nathan Shefferman.

The Chair presents to you this contract and asks you to examine it and state if you identify it.

(The document was handed to the witness.)

Mr. KENNEDY. The testimony that I am referring to that you gave before is on page 1601 of hearings, part 5, March 27, 1957.

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

The CHAIRMAN. First answer if you have examined the document, Mr. Shefferman. You have examined the document?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

The CHAIRMAN. The question is, have you examined the document. I think that you can state yes or no as to that. That won't incriminate you.

Mr. NATHAN SHEFFERMAN. Yes.

The CHAIRMAN. All right. But you decline to identify it on the grounds that it might tend to incriminate you?

Mr. NATHAN SHEFFERMAN. Yes, sir.

The CHAIRMAN. Proceed.

May I inquire of the staff now, which member of the staff procured this document and from where was it procured?

Mr. KENNEDY. Mr. Sheridan.

The CHAIRMAN. Mr. Sheridan, have you been previously sworn?

Mr. SHERIDAN. No, sir; I have not.

The CHAIRMAN. Will you sit there at that chair there? Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SHERIDAN. I do.

TESTIMONY OF WALTER SHERIDAN

The CHAIRMAN. State your name and place of residence and your business or occupation.

Mr. SHERIDAN. Walter J. Sheridan, Chevy Chase, Md. I am an investigator with this committee.

The CHAIRMAN. Did you in the course of the performance of your duties and your employment with this committee procure the document which you have before you?

Mr. SHERIDAN. I did, sir.

The CHAIRMAN. The Chair will state for the record that this is the same document just presented to the witness, Mr. Nathan Shefferman.

From whose file or from whose records did you procure this document?

Mr. SHERIDAN. This was procured from the records of the Carbonated Beverages Co. in Lake County, Ind.

The CHAIRMAN. That document may be made exhibit No. 70 for reference.

(The document referred to was marked "Exhibit No. 70" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. We have several others, Mr. Chairman, and they are just cumulative, rather than adding anything, particularly.

The CHAIRMAN. You may go ahead. We will put a fair sample of the documents in the record.

Mr. CLINTON. May I say, Mr. Chairman, that as I understand it, in a personal interview with members of your staff, Mr. Shefferman made some corrections of his memory on his testimony here. For the information of the committee, Mr. Shefferman participated in 3 labor negotiations, 1 in Dayton, 1 in Toledo, and 1 in Gary, Ind.

The CHAIRMAN. That is very nice, and we would be very glad Mr. Shefferman stated that.

Mr. CLINTON. I have the problem of waiver, Mr. Chairman. I want to say this: That we are not reluctant to give the committee information that they desire. I am reluctant to have him testify, sir.

The CHAIRMAN. I understand counsel's position, and I am not criticizing counsel under the circumstances, but still we have to proceed here to make this record.

Mr. KENNEDY. These are the other contracts, Mr. Chairman.

The CHAIRMAN. Mr. Sheridan, I present to you a document which is a memo agreement. This is a supplement to and part of the agreement of November 18, 1953, copy of which is appended. This document appears to have been signed by Mr. Nathan Shefferman, for the association. It was made by and between the Retail Association, Inc., for and on behalf of LaSalle & Koch Co., with Lion Dry Goods, Inc., and Tiedkte's, Inc., and Lanson Bros., Toledo, Ohio, and for whom the

Retail Association, Inc., acted as bargaining agent. It is dated, I believe I stated, on November 18, 1953.

Where did you procure that document?

Mr. SHERIDAN. I procured this from the files of the law firm of LaSalle, Green, and I am not sure of the other name, in Toledo, Ohio.

The CHAIRMAN. That document may be made exhibit No. 71.

(The document referred to was marked "Exhibit No. 71" for reference and will be found in the appendix on pp. 6653-6655.)

The CHAIRMAN. That refers to some 4 or 5 firms who were parties to the contract.

Mr. KENNEDY. Now, this document is signed by Nathan Shefferman and Paul Styles on behalf of the Toledo stores. How long have you known Paul Styles?

TESTIMONY OF NATHAN W. SHEFFERMAN AND SHELTON SHEFFERMAN, ACCOMPANIED BY COUNSEL, STANFORD CLINTON—Resumed

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds my answer may tend to incriminate me.

Mr. KENNEDY. According to the information we have, you were instrumental in taking Paul Styles off the National Labor Relations Board and getting him this job with the Toledo stores.

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. You had felt prior to that and expressed yourself to the effect that you felt that his decisions were too liberal and it would be better to have him in private industry than to have him on the Board.

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. While he was on the Board, according to the records we have, you purchased some \$2,700.18 worth of goods for him.

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. That is from 1948 through July of 1953, \$2,700.18.

Mr. Chairman, Mr. Bellino will be able to put that into the record.

The CHAIRMAN. Let me make an inquiry here.

For my information, and the information of Senator Mundt, Mr. Styles was on what Board?

Mr. KENNEDY. The National Labor Relations Board during this period.

The CHAIRMAN. At the time these purchases were made?

Mr. KENNEDY. That is correct.

The CHAIRMAN. Do we have any record of his having repaid or reimbursed Mr. Shefferman for them?

Mr. KENNEDY. Mr. Salinger talked to Mr. Styles, and perhaps he could give the answer.

TESTIMONY OF PIERRE SALINGER—Resumed

The CHAIRMAN. You have been previously sworn, Mr. Salinger.

Do you have any information regarding these items as to whether Mr. Shefferman was reimbursed for them by Mr. Styles?

Mr. SALINGER. I contacted Mr. Styles and he told me that he repaid Mr. Shefferman for every item that he purchased, and he is digging up the canceled checks and he is going to provide them to this committee.

The CHAIRMAN. All right.

Mr. SALINGER. He has not as yet done so.

The CHAIRMAN. What does our information show as to when Mr. Styles' services with the Board terminated?

Mr. SALINGER. They terminated in August of 1953.

Senator MUNDT. Is that statement by the staff member correct, Mr. Shefferman? Did Mr. Styles repay you for the purchases you made?

**TESTIMONY OF NATHAN W. SHEFFERMAN AND SHELTON SHEFFERMAN, ACCOMPANIED BY COUNSEL, STANFORD CLINTON—
Resumed**

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the ground that my answer may tend to incriminate me.

Senator MUNDT. It seems to me that your answer would move in just the opposite direction, and it would incriminate neither you nor Mr. Styles if you could confirm what he has said.

Are you sure you want to leave it that way, that you can't answer that question, whether or not the testimony—just a moment—whether the testimony that you have heard is correct and whether, in fact, Mr. Styles did reimburse you? Can't you say yes or no to that?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Senator MUNDT. The answer you have given tends to incriminate him, and I don't know what it does to you.

Mr. KENNEDY. Also, Mr. Shefferman, in your testimony when you were here before, you stated that less than 10 percent of the clients that you had had anything to do with labor or labor disputes.

According to our analysis, a far higher percentage involved labor and the efforts to keep labor unions out of companies. I wonder if you want to clarify that figure at all.

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. I would like to ask you about some specific cases, but before I do we had Mr. Bachman who was retained by you and worked for you for a period of time, and he testified before the committee that this procedure of setting up a vote "no" committee, and the rotating committees, was taught by you, and the reason or purpose was to defeat and bust unions.

I wonder if you could tell us anything about that?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. Is that the type of lessons that you taught your employees; to go out and tell employers how to bust unions or keep plants from being unionized?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. He said that he told you at that time that these procedures and practices were in violation of the Taft-Hartley Act.

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. I would like to ask Mr. Shelton Shefferman some questions.

The CHAIRMAN. All right; Mr. Shelton Shefferman.

Mr. KENNEDY. I want to ask him about the Whirlpool Co., which I believe he has some information about, and the arrangements made in Whirlpool-Clyde to have Dr. Checov go to Whirlpool, and operate a so-called human equation test.

What can you tell us about that?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. Did you make arrangements for Dr. Checov to go down there?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. Was Dr. Checov's purpose in going down there to work to keep the union out of the plant?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. Now, Mr. Walter Patterson, when he was working for Whirlpool, spent in a short period of time some \$10,000 in expenses. Could you tell the committee anything about that?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. It was also suggested, as we understand it, by you that Whirlpool institute a company union, and you gave them a plan as to how they could go about that operation.

Would you tell us about that?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. When there were some charges of unfair labor practices brought that would involve Dr. Checov, it was you, as we understand it, who arranged for Dr. Checov to go up to Canada. Is that correct?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. You assured him at that time that his salary would continue, and that his expenses would be paid while he was in Canada.

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. Since our investigators have contacted Dr. Checov in Canada, have you personally been in touch with him?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. And when you were in touch with him, didn't you tell him that he should stay in Canada; that we couldn't touch him up there?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Senator MUNDT. Are you in fact paying him a salary to hide out in Canada now?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Senator MUNDT. Well, I listened with a lot of rapt attention to the advice we received from Mr. Clinton, and not being a lawyer I respect his judgment in that field because he has been in the law business longer than I have.

I would like to be equally solicitous with you, sir, and to say that while I respect your judgment in the field of law, I think that I have had perhaps more experience in the field of committee investigations and public reactions to them than you have. So in the same friendly spirit of solicitude, may I say that if you are really interested, as I am sure you are, in the impact of public opinion upon your clients, I think they would be much better advised if they would answer some of these questions directly instead of incriminating themselves over and over and over again as they are doing this afternoon in the area of public opinion by failing to answer questions where the reticence indicates that were they to answer they would be incriminating themselves because of some illegal or improper practice.

Mr. CLINTON. I would have to——

Senator MUNDT. I make that motion to you, as you made your motion to us.

Mr. CLINTON. I, of course, will have to defer to your judgment on the matter of public relations. I am not a public relations expert. However, I have the primary responsibility of defending men under indictment.

The Supreme Court of the United States on many occasions has said that the claim of the fifth amendment is a claim intended to shield on many instances innocent men. My problem is to defend these men, and I come from a long line of cowards. I don't want to sacrifice any of their rights, or any of their benefits, that they are entitled to under the law.

I cannot cope with public opinion, and I cannot control it, and I cannot deal with it. If you say that it is bad public relations, sir, I have to acquiesce in your judgment, sir.

The CHAIRMAN. All right, Mr. Counsel.

Mr. KENNEDY. Mr. Shefferman, I want to ask you about the arrangements made at the Dayton warehouse, when those negotiations were taking place. Do you know anything about that?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. As I understand it, the Dayton warehouse was having difficulty negotiating a contract with the teamsters union. Isn't that right, and you people were representing the Dayton warehouse?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the ground that my answer might tend to incriminate me.

Mr. KENNEDY. And the Dayton Warehouse Co. was struck by the teamsters in Dayton, Ohio, is that right, and you arranged through telephone calls to Mr. Larry Steinberg to have Mr. Larry Steinberg come to Dayton, Ohio?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. And while Larry Steinberg came to Dayton, Ohio, he took over the negotiations; did he not?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. While Mr. Steinberg was in Dayton, Ohio, did you make arrangements to have his hotel bill paid there?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. According to our information, the hotel bill of Mr. Steinberg was paid by LRA; isn't that correct?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. Did you also have some further financial deals with Mr. Steinberg?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds my answer might tend to incriminate me.

Mr. KENNEDY. Would you look at this and tell us what this is?

The CHAIRMAN. I hand you here a document, a photostatic copy of a document bearing the signature of Shelton Shefferman, 75 East Wacker Drive as the address. It says "To National Boulevard Bank of Chicago," dated July 30, 1956, and its instruction says—

Buy and in my name and as agent for me, the following described securities at the price and within the time stated for my account, \$10,000 United States Treasury bonds, 2½ percent, 6/15/72-67, at market.

I hand you here this document and it says—

And charge to account of Nathan Shefferman. Deliver to discount department.

I ask you to examine this photostatic copy and state if you identify it.

(The document was handed to the witness.)

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

The CHAIRMAN. That document may be made exhibit No. 72.

(The document referred to was marked "Exhibit No. 72" for reference and will be found in the appendix on p. 6656.)

The CHAIRMAN. I now hand you a photostatic copy of a notice of maturity of note, dated January 31, 1957, a note in the amount of \$6,600, notice to L. N. Steinberg, 435 South Hawley, Toledo, Ohio, showing that Mr. Steinberg had borrowed \$6,600, and that there was pledged for the security of this loan \$10,000 in United States Treasury bonds, 2½ percent, 6/15/72-67. That is the date of the maturity. I will ask you to examine that and state if you identify that document.

(Document handed to witness.)

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

The CHAIRMAN. That document may be made exhibit No. 73.

(The document referred to was marked "Exhibit No. 73" for identification and will be found in the appendix on p. 6657.)

The CHAIRMAN. I will ask you the question: Is it not true that you bought the \$10,000 in bonds and placed them as security for this loan granted by the bank to Mr. Steinberg?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

The CHAIRMAN. And was not Mr. Steinberg at that time—What was his position?

Mr. KENNEDY. I believe he is vice president of the Ohio Conference of Teamsters and president of the Toledo Joint Council of Teamsters.

The CHAIRMAN. Did he not at that time occupy that position?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

The CHAIRMAN. If he did not occupy that specific position with a labor organization, will you state what position he did occupy?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

The CHAIRMAN. Was that another favor that you were doing for some labor leaders?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

The CHAIRMAN. I now hand you a check made by the bank to Mr. Steinberg on the date of June 3, 1956. The check is in the amount of \$6,448.20, apparently the amount of money Mr. Steinberg actually received from the bank after the proper discounts were made in connection with that loan. I will ask you to examine that photostatic copy of the check and see if you identify it.

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

The CHAIRMAN. I think it may be observed, and you will agree, that you have examined these documents as we have presented them to you?

Mr. SHELTON SHEFFERMAN. Yes, sir; I agree.

The CHAIRMAN. That may be made exhibit No. 74.

(The document referred to was marked "Exhibit No. 74" for reference and will be found in the appendix on p. 6658.)

All right, Mr. Counsel.

Mr. KENNEDY. I would like to ask Mr. Nathan Shefferman about the Englander Co. You were retained by the Englander Co., Mr. Shefferman?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. I understand, according to the testimony before the committee, you made arrangements to have Abe Lew bring in his union into the Englander Co. prior to the time that the plant was opened in Middlesex?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. Can you give us any explanation for Mr. Louis Jackson's testimony regarding the bringing of the toy and novelty workers into the Englander plant in Pittsburgh?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. Then we had some interesting testimony here from a Mr. Mike Katz regarding a \$2,800 payment that he received from you for standing outside the Englander plant in Brooklyn, N. Y., in the morning and the afternoon to see if he could recognize any Communists from the west coast going in or out of the plant. Can you tell us anything about that?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. Did you make any arrangements for Mr. Katz to remove his pickets from the Englander plant out on the west coast?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

The CHAIRMAN. Will you answer this question, Mr. Shefferman, for our information: I had some serious doubts about the accuracy of the testimony of the witness, Mr. Katz. There were two checks presented to him which he identified, photostatic copies of checks, one dated April 4, 1953, in the amount of \$500, the other dated the same date, April 4, 1953, in the amount of \$2,300. He claimed that these checks were given him, and that the only service he performed for them was to go out to this plant on one morning and one afternoon and take a look to see if he could identify any Communists there at that plant that were from the west coast. It certainly sounded to me like it was a most generous reward or compensation for such apparently slight service.

The record remains that way, unless you are willing to correct it. I can't conceive of you as a businessman paying out that much money for that purpose, and for no more service than was rendered, because he said he found no Communists.

Would you care to explain that and give us some information as to what this money was really paid to him for, and what service he rendered?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

The CHAIRMAN. Those checks, as I recall, have already been made exhibits.

Mr. KENNEDY. Yes.

Going on from that company to the Morton Frozen Foods, do you know Mr. George Faunce of the Continental Baking Co.?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. Did you arrange for Mr. Faunce to have Mr. James Cross send the bakery workers union into the plant in Webster City, Iowa?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. Do you know Mr. James Cross of the bakery union?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. I understand that the contract involved there was written in your office, according to testimony before the committee. Is that correct?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. Mr. Shelton Shefferman, could I ask you about Sears Roebuck Co., what information you have about the Sears Roebuck drive up in Boston?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. Did you know that a vote "no" committee was being established there?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. And payments were being made to the Sears Roebuck Employees Council, which, according to Sears Roebuck, was the bargaining unit for the Sears Roebuck store?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. And that the arrangements had been made to bring the teamsters union in there also?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. And that one of those who were interested in bringing the teamsters union in had their car purposely wrecked so that it would reflect on the Retail Clerks Union?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. I understand that through Mr. Nathan Shefferman, Mr. John Lind, who had been active for the retail clerks, received a job with the Laundry Workers Union. Is that right, Mr. Shefferman?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. And that he then proceeded to work for the teamsters union in this drive amongst the Sears Roebuck employees?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. Would you tell us anything about the activities of Mr. Louis Jackson in the New York area?

(The witness conferred with his counsel.)

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. Or Mr. George Kamenow in the Detroit, Mich., area?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. We also had some slightly different testimony regarding the purchase of the land for the Teamsters Building over here, Mr. Shefferman, since you last appeared. The information that was testified to before the committee was that the American Legion was first asking \$15 a square foot, and you made a suggestion that it be increased to \$18 a square foot, and then the money could be split between you and Shelton Shefferman and Mr. Beck and certain others—if there is a correction in the testimony Mr. Shefferman can make it—and these individuals refused to go along with this, and that ultimately the building or the land was sold to the teamsters for \$15 a square foot rather than \$18 a square foot, and then you approached the representatives of the American Legion and asked them to tell the teamsters that you were responsible for getting it down from \$18 a square foot to \$15 a square foot, so that you would get a commission, and that you thereby saved the teamsters \$75,000, and, in fact, you did get a commission of \$12,000.

Can you tell us or give us any explanation of your activities in that case, Mr. Shefferman?

Mr. CLINTON. Mr. Chairman, that transaction is directly involved in the west coast indictment, sir.

The CHAIRMAN. The Chair can appreciate that it may be involved in that and, of course, you will recall that there is testimony that Mr. Beck actually received some of this money, and that could be in-

volved in a conspiracy with Mr. Beck. Therefore, the Chair will rule you do not have to answer that question at this time.

Mr. KENNEDY. The problem, of course, Mr. Chairman, is that Mr. Shefferman has testified when he appeared here before that he gave \$8,000 to Mr. Beck shortly after this, within a month of the time that he received this \$12,000, and he stated at that time that he gave it to him just as a friend. According to what we developed before our committee, there was some different reason for giving it. I didn't know whether he wanted to clarify it at this time.

The CHAIRMAN. If the witness does not want to answer the question, in view of the indictment that might involve some of these funds as a part of Mr. Beck's income, the Chair will not insist on the witness answering.

On that one, you may state that you prefer not to answer it, if you desire.

(The witness conferred with his counsel).

Mr. KENNEDY. I might ask Mr. Shelton Shefferman one other question: In connection with the Mengel Co. in Laurel, Miss., according to the information we have, some \$800 was spent by you and others to hire nonunion truckers to go through the picket line over a period of a week or 10 days. Is that right?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. We understand also that you visited the Mennen Co. during 1953, is that right?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. What were you doing there at that time, in that company?

Mr. SHELTON SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

Mr. KENNEDY. Mr. Chairman, there is another matter that I would like to put into the record through Mr. Bellino, and then ask Mr. Shefferman a couple of questions on it.

The CHAIRMAN. Mr. Bellino has been sworn. You may take the stand, Mr. Bellino.

TESTIMONY OF CARMINE S. BELLINO—Resumed

The CHAIRMAN. All right, Mr. Counsel.

Mr. KENNEDY. Have you made an examination of the records of Mr. Shefferman to determine the total amount of purchases made by Mr. Shefferman, senior, and junior, for certain individuals at cutrate prices, wholesale prices?

Mr. BELLINO. Yes, sir. An examination has been made by myself and others on the staff.

Mr. KENNEDY. Under your direction?

Mr. BELLINO. Under my direction, yes, sir.

Mr. KENNEDY. Can you tell the committee what the total amount is for purchases that were made by Mr. Nathan and Shelton Shefferman for individuals?

Mr. BELLINO. The total purchases for the period from 1948 through 1956 aggregated approximately \$478,451.79. There were approximately 421 various individuals who purchased merchandise through

Nathan Shefferman. Of this number, approximately 95 have been identified as union officials, including union attorneys.

Mr. KENNEDY. What would be approximately the discount rate that Mr. Shefferman was able to receive?

Mr. BELLINO. We understand that he was given in some cases 40 percent and in other cases less. We computed that if he had given a discount of 40 percent from the actual retail cost, of the \$478,451.79, it would have been \$779,419.65.

The CHAIRMAN. Let's see. You don't mean that the 40 percent was on each item, do you?

Mr. BELLINO. On that basis. Using a 20 percent figure, the total retail cost would have been \$598,064.74. In other words, using the lesser figure, there is a saving of at least \$119,612.95.

Mr. KENNEDY. Split between these some 421 individuals?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. The greatest amount of number and volume of purchases were made by Mr. Dave Beck and his family; is that right?

Mr. BELLINO. That is correct.

Mr. KENNEDY. And we have already been into that matter.

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. We have selected, have we not, the purchases that were made for individuals?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And we have contacted a number of those individuals to determine whether they in fact paid for these purchases or whether Mr. Shefferman paid for them? Is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Would you tell the committee—on those on which we could not get a complete explanation, would you tell the committee who was the next highest after Mr. Dave Beck's family?

Mr. BELLINO. One of the next highest was John F. English, secretary-treasurer of the international teamsters. The records shows that for the period from 1948 through 1955, he purchased a total of \$19,611.59.

Mr. KENNEDY. Have we spoken to Mr. English to try to obtain his canceled checks for the purchases of these items?

Mr. BELLINO. Yes, sir. Mr. English has produced canceled checks that he has available and they aggregate \$14,221.75. On the balance of \$5,389.84 we have as yet no evidence for their actual payment. However, Mr. English maintains, and he is willing to furnish an affidavit to that effect, that he has paid for all merchandise which he has obtained from Mr. Shefferman.

The CHAIRMAN. Were any of those payments made out of union funds, those from Mr. English?

Mr. BELLINO. No, sir. One of the other large ones was Thomas Flynn—

Senator MUNDT. Before we drop Mr. English, is he going to continue looking for other canceled checks and receipts for cash payments?

Mr. BELLINO. Yes, sir. He is endeavoring to get the information through his bank.

Senator MUNDT. He contends he paid for everything?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. I thought in all fairness to Mr. English the record should be made clear if it was not paid by union funds. I think in

the case of Mr. Beck some large part if not all of the \$95,000 was paid in union funds.

Mr. BELLINO. That is right.

The CHAIRMAN. I didn't want to leave the record with any implication against Mr. English.

Senator MUNDT. Did you find out from Mr. English how it happened that he had this extensive business relationship with Mr. Shefferman?

Mr. BELLINO. How it happened?

Senator MUNDT. Yes. What was his explanation? Do we have his version in the record?

Mr. BELLINO. As I understand it, it was a means where they could buy merchandise at a discount, and every one was willing to take advantage of Mr. Shefferman's generosity.

Senator MUNDT. Was Mr. Shefferman doing any favors for Mr. English, or was it just a friendly relationship?

Mr. BELLINO. Mr. English has indicated that he has done no favors for him, or either way.

Senator MUNDT. Either way.

Mr. KENNEDY. When did you first contact Mr. English regarding this matter?

Mr. BELLINO. The first time we mentioned it to him was several months ago, but we did not contact him again until, I believe, last week.

Mr. KENNEDY. And at that time he stated that he was turning over all his canceled checks that he had in connection with this matter; is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And he has turned over all that he has as of this time?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Now would you go on?

Mr. BELLINO. Another one is Mr. Thomas Flynn. From 1948—I might say Mr. Flynn is head of the Eastern Conference of Teamsters. From 1948 through July 1955, with two additional purchases in subsequent years, the total purchases amounted to \$22,046.69. He paid up to December 31, 1956, \$18,593.35, and there was still owing at the end of December 31, 1956, \$3,453.34. From the time that this committee commenced its labor investigation until the present time, that is, in 1957, Mr. Flynn has paid \$3,058.44, leaving a balance still due Shefferman of \$394.90.

Mr. Flynn likewise claims—well, in this case he states the figures are in accordance with his understanding, that the balance of approximately \$400 is owed to Shefferman by one of his sons. He indicated his son intends to pay the balance.

The CHAIRMAN. None of that was paid out of union funds?

Mr. BELLINO. None of this was paid out of union funds; that is correct.

Mr. KENNEDY. As I understand it, there was a charge account arranged for Mr. Flynn at the Sears, Roebuck store in Indianapolis?

Mr. BELLINO. Yes, sir. I believe each month the bills that were incurred by Mr. Flynn at the Indianapolis store of Sears, Roebuck would be sent to Shefferman for payment, and then Shefferman in turn would bill Mr. Flynn.

Mr. KENNEDY. On all the other charges that we have looked into, we have received an explanation and an accounting that they have been paid in full by the union official or union attorney involved; is that right?

Mr. BELLINO. Those that we have received; yes, sir.

Mr. KENNEDY. Or are of such a minor number or amount that we didn't feel it was worthwhile going into?

Mr. BELLINO. That is right.

Senator MUNDT. Mr. Bellino, all these names that you mentioned so far have been teamster labor union officials. Do the records disclose the officials of any other unions?

Mr. BELLINO. Yes, sir.

Senator MUNDT. That is, who were using this means of purchasing?

Mr. BELLINO. There were a few from other unions, such as the bakery union, and the carpenters union, various unions that were using these services.

Senator MUNDT. Were any of them in sizable amounts?

Mr. BELLINO. Not to this extent.

Senator MUNDT. I don't think it is any better or any worse if it is done by a teamster official, perhaps, than if it is done by the officials of some other unions. The only evidence we have is that dealing with teamster officials.

Mr. KENNEDY. The others, I might say, were very minor amounts in comparison with these. As we pointed out, there is some \$470,000 of purchases.

Mr. BELLINO. With over 421 people.

Mr. KENNEDY. We didn't feel it was right to bring in all of their names. Some of them are very minor persons.

Senator MUNDT. I understand, then, that there were no major transactions, other than the ones you have mentioned?

Mr. BELLINO. That is correct.

The CHAIRMAN. All right.

TESTIMONY OF NATHAN W. SHEFFERMAN AND SHELTON SHEFFERMAN, ACCOMPANIED BY COUNSEL, STANFORD CLINTON— Resumed

The CHAIRMAN. Do you have anything further from these witnesses?

Senator MUNDT. No, Mr. Chairman.

The CHAIRMAN. The Chair regrets very much that the circumstances are such that counsel representing the two witnesses before us feels it is his duty to advise them as he has to invoke the fifth amendment because of the indictment pending against him. It would have been, I think, very helpful to this committee and very enlightening to the public, to the union members, and valuable information to the Congress if we could have Mr. Shefferman's story, his full story, at this time. I do not criticize counsel. I don't know what I would do if I were in his place under the circumstances. But we had hoped that the Sheffermans could come before the committee and make a clean breast of the whole operation so that there wouldn't be left any false implications as to what their practices have been.

Under the circumstances, we will not pursue any further interrogation. We have tried to give you ample opportunity, particularly with respect to the testimony that has been developed here in the last few days, and which we think has considerable significance, addresses itself not only to the committee for its consideration, but possibly even to the Congress for its action.

Is there anything further, Senator Mundt?

Senator MUNDT. Yes. I would like to ask Mr. Clinton whether the date for the trial on this indictment has been set.

Mr. CLINTON. Yes, sir. It has been set for April 14, 1958.

Senator MUNDT. Would you care to advise the committee whether it will be your position after the trial is out of the way, that you think that Mr. Shefferman and Mr. Shefferman could then be honorably advised by you to answer forthrightly the questions we have asked them, or would the same position hold then?

Mr. CLINTON. May I say this, Senator Mundt: Prior to the indictment, I don't think all the king's horses and all the king's men could have prevented the Sheffermans from testifying. I am unable now to answer your question categorically, because of the fact that the situation is so dynamic and so fluid. If the situation after the trial is as it is now, I would be of the opinion, sir, that they would testify.

Senator MUNDT. Our committee is still going to be in being after the 1st of April. So perhaps we can look forward to a return engagement, but I hope not a repeat performance.

Mr. CLINTON. Yes, sir.

Mr. KENNEDY. You say that if it had not been for the indictment, Mr. Shefferman would have told what arrangements he made for getting the \$12,000, why he got the \$16,000 from the teamsters and only gave \$15,000 to Mr. Pitzele, keeping \$1,000, and the testimony about these union-busting operations that he was teaching in his office in Chicago?

Would you testify to all of that, Mr. Shefferman?

Mr. CLINTON. Mr. Kennedy, I can only tell you that in my conferences with the Sheffermans, up to the date of the indictment, their plan was to appear before this committee and, under oath, answer the questions responsively.

Mr. KENNEDY. That was quite awhile ago, before we began the investigation. Mr. Shefferman's testimony before the committee was less than frank. He didn't give the full accounting. We have it documented here that he gave less than the full story regarding his operations, in answers to Senator Ives and other members of the committee. All the questions we have asked, with the exception of one, have been on matters that have nothing to do with the indictment. I question whether Mr. Shefferman could come in here and answer all these questions truthfully, even if he wasn't under indictment.

Mr. CLINTON. Mr. Kennedy, may I say to you that some of the answers that Mr. Shefferman gave at the first hearing were inaccurate. They were not purposely inaccurate. They were lapses of memory. The man was in a highly overwrought condition. I agree with you that some of his answers were not accurate. However, he did intend to tell the truth.

As you know, in private conferences with your staff, he gave correcting answers. As you know, you have had complete custody and

possession of his records for many months, most of which were returned to us only a week or a month ago, and some of which you still hold. You are entitled to your view, but I can only say to you that that was his plan to come here—that wasn't necessarily my view of what he should do—that was his plan, to come here and let the chips fall where they may, and answer the questions of this distinguished committee.

Mr. KENNEDY. We would certainly appreciate it. But if he would like to give an explanation of what happened in Whirlpool Clyde, Whirlpool Marion, what happened in Sears, Roebuck, Boston, what happened in Detroit, what happened in Flint, Mich., what Louis Jackson was doing, all of these things, why he got the extra money and kept it, all of these things would be revealing to me to get the answers to. But to have him tell us "I would love to tell you, but I am under indictment," doesn't make sense to me.

Mr. CLINTON. I would like to say that I don't detect the problems which perhaps you do, I don't detect the conclusions which you refer to. The answers of the Sheffermans would be, I think, very revealing, and in many points in sharp conflict to other witnesses.

Mr. KENNEDY. Don't you keep saying it. Let him say it.

Mr. CLINTON. Mr. Kennedy, I am his counsel in a criminal case. Until such time as that is disposed of, we are not free, as I see it, to respond.

Mr. KENNEDY. Then he refuses to answer these questions on the grounds that a truthful answer might tend to incriminate him?

Mr. NATHAN SHEFFERMAN. I respectfully decline to answer on the grounds that my answer might tend to incriminate me.

The CHAIRMAN. Is there anything further?

This concludes this part of the hearing regarding activities of the Sheffermans. I am going to make a statement, as has been our practice heretofore at the conclusion of a particular series of hearings. However, following this statement, there are two other witnesses to be heard this afternoon. This does not mean the immediate recessing of the committee.

But I, in the past, have summed up the testimony that we have heard, and have made some comments on it. This is a statement that the Chair makes for the record today.

We have for the past 2½ weeks focused our attention on the activities of management. From the very inception of this committee it has been one of our missions to look into the activities of management as well as those of labor. We have developed testimony that showed the effect of collusion between certain employers and certain union officials on Puerto Rican workers in New York City. We have considered the role of certain companies in the hearings that we have held in connection with Dave Beck, Jimmie Hoffa, and James Cross of the bakers union.

Representatives of Anheuser-Busch, Fruehauf Trailer Co., and the Associated Transport Co., as well as smaller businesses, have appeared before this committee.

In this particular series of hearings we have focused upon the activities of Nathan W. Shefferman, a Chicago labor-relations man, and his firm of labor-management experts who went about the country performing various tasks on behalf of management. In the

course of our investigation, investigators for this committee personally contacted, I am advised, some 92 clients of Labor Relations Associates of Chicago. In addition, another 43 were contacted telephonically. This represents a canvas of one-third of Shefferman's clients. Our investigators report that of the 40 top-money clients of Nathan Shefferman, 70 percent of them utilized the services of Labor Relations Associates in fighting union organization. In at least 23 of the 40 cases, the work of Shefferman's employees aided management in keeping unions out of their plants or in installing friendly unions. This contrasts sharply with the testimony given before this committee last March by Mr. Shefferman himself.

The activities disclosed before this committee reflect a great discredit on some business firms in this country. They cannot adopt the posture, as did some of the firms appearing here, that all this was the doing of Mr. Shefferman and his agents. It is a fact that many of these firms did not choose to repudiate or even frown on the activities of Mr. Shefferman until the public had been made aware of some of his practices.

The evidence brought forth before this committee has clearly given the Congress subject for study in the field of possible legislation. There are questions raised from these hearings. Some of the questions raised by these hearings are:

1. Are there present loopholes in the regulations covering the conduct of management and its agents during union organizing drives?
2. Are there sufficient laws currently on our books to deal with businessmen who knowingly pay off sums of money to union officials to prevent or discourage unionization?
3. Should there be new laws enacted to deal with the middlemen in the labor-management profession, such as Mr. Shefferman?

One thing is made very clear by these hearings. When dishonest management and dishonest labor-management consultants get together with dishonest labor leaders, it is the worker who suffers. The signing of sweetheart contracts, or of top-down contracts, such as those brought to light before this committee, result in poor working conditions for the employees, and many times in their joining a union not of their choice.

It has come as a profound shock to me to see men acting on behalf of American business take the fifth amendment before this committee.

I might say by way of interpolation that business is always harping on the practices and activities of labor and labor officials in some areas, and I had hoped and had expected that when we got into the area of business activities, that business people would come before this committee and not hesitate to reveal what they knew. But we do find—I think it has been illustrated or demonstrated by hearings that we are now concluding—that there are instances in which some business people are just as unscrupulous and engage in practices just as improper as we have developed in some instances in labor.

It will be interesting to note whether business and management deal with these men in the same manner in which the head labor organization—the AFL-CIO—has indicated it will deal with those within its ranks who have come before this committee and have taken the fifth amendment or have been untruthful and have withheld the full story.

In conclusion, I should like to say that it is elements of management, some elements of management which must take the heavy blame for the activities which have been unfolded before this committee. In some instances it was the services which management desired which created the need for Nathan Shefferman. It was management who paid the bills for the activities of Nathan Shefferman, and it was management which knowingly utilized the services of Nathan Shefferman with no compunctions or regrets until the revelations in recent months. They were aware of what they were doing and how their money was being utilized. These activities, as well as those of Nathan and Shelton Shefferman, George Kamenow, Louis Jackson, and the other employees of Labor Relations Associates, as well as those dishonest labor officials with whom they connived, should be strongly condemned.

The Chair does not imply that all of Mr. Shefferman's clients are to be reflected upon in any sense. I am sure he had clients who were honest and reputable, decent American business people and members of management, just as I have repeatedly said, one instance, or one or a number of instances, maybe, where labor representatives and officials of labor unions have gone astray and have done the wrong thing does not reflect upon all of organized labor. So neither do the developments here reflect upon all businesses in the country. But there are elements in both that are engaging in practices that should not be condoned. They should be prohibited and prevented. That, of course, is the purpose of this committee, to develop the facts to get that information so that the Congress may make use of it in arriving at the character and extent of remedial legislation that may be needed in this field.

Thank you very much, gentlemen. You may stand aside.

In this connection, the Chair would like particularly to commend the members of our staff, including the chief counsel, Mr. Kennedy, and others who have worked so faithfully to help us get this information so that it could be revealed in public hearings.

Other members of the staff are Mr. Walter Sheridan, Mr. Pierre Salinger, Mr. Carmine Bellino, Mr. Irwin Langenbacher, and Mr. Carl Schultz, Jack Thiede, Robert Bacchus, Wallace Stutz, and Bob Frew, and George Meyers, and all of the GAO in Chicago and Mr. Edgar Parkhurst of Hartford, Conn., who has splendidly cooperated with the committee.

I do not offer indulgence in commending the committee staff. I know that they work hard, and I have found them to be conscientious, but I would like for the public to realize and understand that except for a good staff and a devoted staff and a competent staff that go out and dig up this information and get it in shape and coordinate it to where it can be presented with some continuity so as to present the picture and the facts as they are, this committee and almost all other congressional committees would not be able to perform their functions, certainly not as thoroughly and as efficiently as we are sometimes able to do by reason of their services.

Sometimes, it is the members of the committee that get the commendation from the public, but I think staffs of committees who are faithful in their services should have that recognition.

The committee will stand in recess until Tuesday morning next at 10 o'clock.

(Committee members present at time of recess: Senators McClellan and Mundt.)

(Whereupon, at 5:40 p. m., the committee was recessed, to reconvene at 10 a. m. Tuesday, November 12, 1957.)

APPENDIX

EXHIBIT No. 33

LABOR RELATIONS ASSOCIATES of Chicago, Inc.		NUMBER 803
CHICAGO, ILL.		2-86 710
PAY TO THE ORDER OF Mike Kat2		APRIL 4 1953
TWO THOUSAND THREE HUNDRED DOLLARS & NO CENTS		\$2,300.00
NATIONAL BOULEVARD BANK CHICAGO, ILL.		LABOR RELATIONS ASSOCIATES of Chicago, Inc.
N. P. 63-398		Shelton & Chapman

Mike Kat2

2-86
710

APR 4 1953

FEDERAL RESERVE BANK
CHICAGO, ILL.

3

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

804

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710

1953

CHICAGO, ILL.

TO THE
MEMBER OF THE CHICAGO FEDERATION OF LABOR UNIONS
* * * * *

* DOLLARS
LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

NATIONAL BOULEVARD
BANK
CHICAGO ILL

EX-CHICAGO

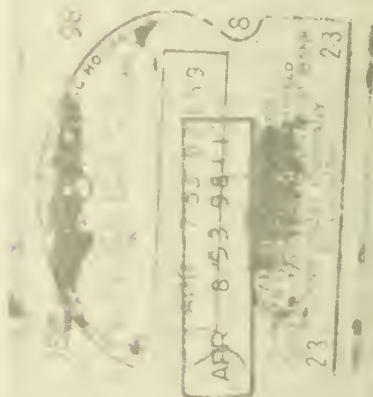
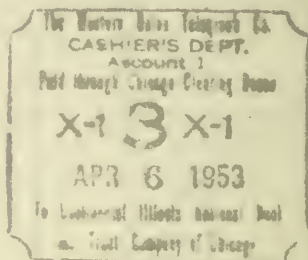


EXHIBIT No. 36

**INTERNATIONAL BROTHERHOOD OF TEAMSTERS,
WASHINGTON & EMPLOYERS OF AMERICA****25 LOUISIANA AVENUE N.W., WASHINGTON 25, D.C.**Dave Beck
Gen. Pres.**SEPTEMBER 30, 1936**

Dear Sir and Brother:

On September 5th last, all local unions in the Englander Conference (with the exception of the Boston local which through error did not receive notice of this meeting but was consulted before negotiations started) met in Chicago, Illinois. They voted to accept the company's offer of an increase of five cents per hour in addition to putting into effect the pension plan outlined in the present agreement. The acceptance, however, was conditioned on whether the company would accept a number of demands listed below. A small committee met with the company representatives the following day. The demands referred to above and the company's answers follow:

(1) In connection with piece-workers: there is a consistent complaint that the method of payment for vacation, holidays, set-up time, etc., has been changed to the disadvantage of these workers. They ask that payment for the purposes set forth be paid on the basis of average earnings, in no event less than the daily or weekly minimum guarantee.

Answer: The company agrees. The company also agrees to use the same method for pay when a holiday falls on a Saturday.

(2) The practice of this company is to split the vacation period, one part in summer and one part in winter. The locals ask that vacations be given in the summer on a continuous basis.

Answer: The company recognizes that the split vacation period presents a problem to the workers and to the company. The company will study the matter thoroughly to find a solution to the split vacation without hurting the company's ability to maintain production.

(3) Those locals having truck drivers ask that the rate be raised to the prevalent package rate in the area.

Answer: A study will be made. It is recognized by the company that this demand is a problem and a solution will be sought at a later date.

(4) The seniority clause to be amplified so that in the event of a promotion, the senior man be permitted to bid for that position, and that it be distinctly understood that no new employee can bid for such job until he goes on the seniority list after 90 days.

Answer: The company agrees.

In reference to piece workers: It is requested that they reach seniority in 90 days and, therefore, are entitled to the going rate at that time, and not 120 days after hiring.

Answer: The company will accept any grievance arising out of this schedule and will promptly adjust any unfairness to any employee.

EXHIBIT No. 36—Continued

Deductions and Antitrust Considerations

Page 2

When an employee is transferred permanently to a higher rated job, he shall receive the higher rate at the moment of transfer and not 30 days later, as some local unions claim.

Answer: The company agrees.

THE FOLLOWING ARE REQUESTS MADE BY INDIVIDUAL LOCAL UNIONS THAT AFFECT THEM DIRECTLY:

(1) Dallas, Texas, and Kansas City, Missouri, contend that there are inequalities between their plant and other plants in this same industry in their area, and a request was made that a study be made of this problem.

Answer: The company agrees to look into this and to make any adjustment found to be equitable.

(2) The DeKalb plant raised the question of a fair rate for the oven men.

Answer: The company will look into the matter favorably.

(3) Houston, Texas, raised the question of the rate of progression between "A" and "B", and also pointed out there are no employees under "A".

Answer: The company will check this situation.

(4) The DeKalb Plant - Piece Workers: When piece-workers operate on two different types of jobs, the local asks that they receive full credit for monies earned, and that they shall not suffer any reduction in pay when transferred from one operation to another.

Answer: The company agrees.

(5) Chicago, Illinois, requests that they be furnished with a rate-change chart.

Answer: The company agrees.

(6) Birmingham, Alabama, would like cooperation in maintaining a strong consolidated union in the plant.

Answer: The company agrees.

(7) St. Louis, Missouri, requests that something be done in connection with the low minimum rate.

Answer: The company will study this situation.

(8) New Haven, Texas, would like a review of the classifications in that plant. Claims there are wrong classifications.

Answer: It will be done on the local level.

(9) Dallas, Texas, also raises the question in regard to classifications.

Answer: It will be done on the local level.

(1) Baltimore, Maryland asks that their local union be furnished with adequate data in order to intelligently handle the changes made in piece-workers rate and incentives in that plant.

EXHIBIT No. 36—Continued

DEFENDANT'S ANSWER TO INTERVIEW

Page 2

Answer: The company agrees that this will be done.

(11) Boston, Massachusetts new point system in connection with piece-workers is not working out. Workers complain it is too tight.

Answer: The company will check this complaint.

(12) Birmingham, Alabama - The Birmingham local shall receive the same as all other locals receive under the new contract.

Answer: The company agrees.

In order to keep you informed on procedure, we would like to report that the representatives of the local unions at the meeting referred to above voted unanimously that a decision to accept or reject will be on the basis of the majority of the local unions voting.

We are therefore submitting the above as a firm proposal from management to your local union. We will immediately submit this to your members and will endeavor to have the results of your vote to the National Warehouse Division, New Orleans, La., Washington, D. C., by October 1, 1936.

We want to add that with these improvements our total gains at this firm, in the 2nd year of the contract, will approximate 21%. This is excellent progress in the light of the little appreciation in this field. The success of our current organizing campaign at the National Warehouse Company will justly further increase our gains at the end of the contract some 12 months hence.

Sincerely and respectfully yours,

J. R. McFay, Chairman
Conference of Englewood Locals

H. J. O'Hara, Acting Director
National Warehouse Division

cc: 11
1

To Locals 22, 204, 330, 301, 570, 612, 636, 688, 714, 745, 955, 958

27

LABOR RELATIONS ASSOCIATION
of Chicago, Inc.

No. 3150

PAYMENT ORDER OF

Dec 13 1954

One Thousand and no/100 \$ 1,000.00

286 710

NATIONAL BOULEVARD BANK
CHICAGO, ILL.

DOLLARS

LABOR RELATIONS ASSOCIATION
of Chicago, Inc.

Director

RECEIVED

DEC 13 1954

CHICAGO, ILL.

Handwritten notes and signatures

EXHIBIT No. 37B

26

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

NO. 2451

Dec 13 19 54

286
710

PAY TO THE
ORDER OF Fred B. Wheeler

One Thousand and no/00 \$ 1,000.00

NATIONAL BOULEVARD
BANK
CHICAGO, ILL.

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

Wm. H. Sullivan

DOLLARS

*Fred B. Wheeler
in Chicago, Ill. - 12/13/54
CHICAGO*

12/13/54

FRED B. WHEELER 733 HIGHLAND AVENUE		No.	105
TO THE ORDER OF		1954	70.1719
Cash		711	
Paid - <i>John A. ...</i>		\$200	
DuPage Trust Company			
GLEN ELLYN, ILLINOIS			
2,000.00 - 300.00 = 1,700.00			
			3708
			DOLLARS

1,700.00

3708

EXHIBIT No. 39

LAW RELATIONS ASSOCIATES, INC.
TRAVEL EXPENSE REPORT

Staff Member

Amshuler

1. Date	12-13-54	12-14-54	12-15-54	12-16-54	12-17-54	TOTALS
2. Place (City or Town)	Walden	Brumfield	Brumfield			
3. Hotel	Walden	Brumfield	Brumfield			
4. Mileage Cost @ \$ mile	3.00				3.00	6.00
5. Auto Storage-Parking-Tolls						
6. Fare; Plane Railroad						
7. Pullman						
8. Baggage-Porters-Red Caps	1.50	1.75				4.50
9. Taxi-Cabfare include tips	10.75	8.25	2.25			26.50
10. TOTAL TRAVEL 4-9 incl.	15.25	5.00	2.25		2.00	31.00
11. Hotel Room	11.00	7.50	1.50			26.00
12. Meal	1.25	7.00	2.40		1.40	24.20
13. Laundry			1.92			1.92
14. Tips - except those above	1.50	1.50	50			4.50
15. TOTAL LIVING COST 11-14 incl.	19.75	16.00	12.32		1.40	56.22
16. Telephone	2.10	4.56	2.02		3.0	12.28
17. Other sundries and postage		5.00				10.00
18. TOTAL TRAVEL 11-17 incl.	27.0	9.56	2.02		3.0	22.28
19. Guest Expense		205.50	10.55			216.05
20. GROSS TOTAL 10-19-19	34.70	204.66	27.44		47.0	214.95
21. FINANCE:						
					Cash Advanced 205.54	
					Cash Returned	
					Due: Traveler Company 163.64	
					Avg. daily living exp.	
					Traveler Sign	Date
					Approved by	

2000 entered to my account

12/13/54 and accounted for on this report

6581

EXHIBIT No. 43

~~DET.~~
Re-9-078
P

John A Wyckoff
9 Burch Drive
Morris Plains, N.J.

Mo-4-6770-M

19" long
3" 1/4 x 1"

EXHIBIT No. 44

745
64

718 719 HARRISON STREET
A. M. H. J. A. L. E. B. B. R. A. T. S.
SEANIE RUG AND FURNITURE COMPANY
AUG 15 1908
56
3 1908.80
AUG 15 1908

745
64

718 719 HARRISON STREET
A. M. H. J. A. L. E. B. B. R. A. T. S.
SEANIE RUG AND FURNITURE COMPANY
AUG 15 1908
56
3 1908.80
AUG 15 1908

EXHIBIT No. 45

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFERS,
WAREHOUSEMAN AND HELPERS OF AMERICA
Affiliated with the American Federation of Labor
and the Detroit and Wayne County Federation of Labor

LOCAL UNION NO. 299

2741 Trumbull Avenue

Detroit 16, Michigan

LOCAL 376

WO-1-7672

April 8, 1954

Otto Graff, Inc.
Flint, Michigan.

Gentlemen:

Dear Sir:

Please be advised that we have been designated
authorized bargaining agents by your majority salesman.

We appreciate an appointment at your earliest con-
venience to discuss contract terms.

I think this will be mutually beneficial.

Sincerely yours,

Henry Lower
Business Agent

HL/mjp

EXHIBIT No. 46

General Drivers Union, Local 332



International Brotherhood of Teamsters, Chauffeurs,
Warehousemen & Helpers of America

Affiliated with the American
Federation of Labor

CLAUDE SUTTON, Secretary-Treasurer and Business Agent

Phone 9-3866
116 E. Pasadena Ave.
FLINT 5, MICH.



April 22, 1954

Otto P. Graff, Inc.
913 South Saginaw
Flint, Michigan

Gentlemen:

Kindly be advised that the majority of the automobile salesmen employed by Otto P. Graff, Inc., are now members of Local 332 of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America and have designated Local 332 as their bargaining agent.

Mr. Henry Lower, Business Agent for Local 376, has graciously honored our claim to jurisdiction and has transferred Local 376's memberships of some of your salesmen to Local 332.

Your employees are within their legal rights in joining a labor union, and you are hereby cautioned to refrain from discharging or discriminating against any employee because of his union activity.

To avoid being cited for unfair labor practices before the National Labor Relations Board, you are further cautioned not to interfere with, question regarding, restrain, intimidate or coerce any employee in the exercising of his right to join a union.

You are warned not to attempt to dominate or interfere with the formation or administration of this organization and you are further warned to cease and desist in entering into any contract or agreement with any labor organization or association other than Local 332, General Drivers and Helpers Union.

EXHIBIT No. 46—Continued

General Drivers Union, Local 332



International Brotherhood of Teamsters, Chauffeurs,
Warehousemen & Helpers of America

Affiliated with the American
Federation of Labor

CLAUDE SUTTON, Secretary-Treasurer and Business Agent

Phone 9-5846
116 E. Pasadena Ave
PLINT 5. MICH

Otto P. Graff, Inc.

Page 2

April 22, 1954

If no response to this letter is received by the writer within forty-eight (48) hours, it will be considered an avoidance of the issue, and a petition will be filed with the National Labor Relation Board.

Thanking you in advance for your cooperation in this matter, I remain,

Sincerely yours,

GENERAL DRIVERS UNION, LOCAL #332

Frank H. Kierdorf

Frank H. Kierdorf, General Organizer

/ba

EXHIBIT No. 47A

LABOR RELATIONS ASSOCIATES of Chicago, Inc.

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2160

June 30, 1954

Otto P. Graff, Inc.
913 S. Saginaw Street
Flint, Michigan

Retainer fee for the month of July, 1954	\$ 250.00
Disbursements for the month of June, 1954	<u>1,644.13</u>
	\$1,894.13

O.K.
W. J. [Signature]
Paid
July 17, 1954
Ch 2383

EXHIBIT No. 47B

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2160

June 30, 1955

Otto P. Graff, Inc.
913 S. Saginaw Street
Flint, Michigan

Retainer fee for the month of July, 1955	\$100.00
Disbursements for the month of June, 1955	<u>500.00</u>
	\$600.00

O.K.
W.G.

Paid

7/11/55

6749

EXHIBIT No. 47C

LABOR RELATIONS ASSOCIATES of Chicago, Inc.

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2160

July 31, 1955

Otto P. Graff, Inc.
913 S. Saginaw Street
Flint, Michigan

Retainer fee for the month of August, 1955	\$100.00
Disbursements for the month of July, 1955	<u>500.00</u>
	\$600.00

OK.
wgc

paid
8/12/55
ce 7/22

EXHIBIT No. 47D

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2160

August 31, 1955

Otto P. Graff, Inc.
913 S. Saginaw Street
Flint 3, Michigan

Retainer fee for the month of September, 1955	\$100.00
Disbursements for the month of August, 1955	<u>500.00</u>
	\$600.00

100
Sept 19
ch 4272

EXHIBIT No. 47E

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2160

September 30, 1955

Otto P. Graff, Inc.
913 South Saginaw Street
Flint, Michigan

Retainer fee for the month of October, 1955	\$100.00
Disbursements for the month of September, 1955	<u>300.00</u>
	\$400.00

and
10/1/55
1953

EXHIBIT No. 47F

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2186

December 31, 1955

Otto P. Graff, Incorporated
913 South Saginaw Street
Flint, Michigan

Retainer fee for the month of January, 1956

\$100.00

Disbursements for the month of December, 1955

150.00 *we pay*

\$250.00

O.K.
*journalize the \$150.00
 into acc. m.r.*

*and
 Jan 17
 \$9081*

EXHIBIT No. 47G

LABOR RELATIONS ASSOCIATES

of Chicago, Inc.

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2160

June 30, 1956

Otto P. Graff, Inc.
913 South Saginaw Street
Flint, Michigan

Retainer fee for the month of July, 1956	\$75.00
Disbursements for the month of June, 1956	450.00
Balance due on invoice rendered May 31, 1956	<u>725.97</u>
	\$1,250.97
RETAINER FOR MONTH OF AUG.	<u>75.00</u>
	\$ 1325.97
3 mo retainer at 75/mo =	<u>225.00</u>
Balance	<u>1100.97</u>

pd 7.23
7.23

pd
Cb # 1264

EXHIBIT No. 47H

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2160

December 31, 1956

Otto F. Graff, Inc.
913 South Saginaw Street
Flint, Michigan Street

Retainer fee for the month of January, 1957	\$75.00
Balance due on invoice rendered November 30, 1956	<u>700.00</u>
	\$775.00

EXHIBIT No. 48A

OTTO P. GRAFF, Inc. Flint's Ford Dealer Since 1914 911-915 S. Saginaw Street		No 2383	74-52 764
PAY TO THE ORDER OF Labor Relations Associates		JULY 17, 1954	
\$ 1,894.13			
CITIZENS COMMERCIAL BANK FOUNT MAIN BRANCH		OTTO P. GRAFF, Inc.	DOLLARS
1894 13CIS			
SEC. 17, U.S. PAT. 2,411,133			

EXHIBIT No. 48B

OTTO P. GRAFF, INC. Flint's Ford Dealer Since 1914 913 915 S Saginaw Street		74-52
No 6749		764
PLINT MICHIGAN JULY 16, 1955		
PAY TO THE ORDER OF CITIZENS COMMERCIAL BANK ORDER OF OTTO P. GRAFF, Inc. \$ 600.00		
CITIZENS COMMERCIAL BANK FLINT MICHIGAN		DOLLARS
E. P. W. <i>E. P. W.</i>		SEC BY - TREAS

EXHIBIT No. 48D

OTTO P. GRAFF, INC. Flint's Ford Dealer Since 1914 913-915 S Saginaw Street		74-52
NO 7573		764
FLINT MICHIGAN		19 55
PAY TO THE ORDER OF \$ 600.00 SIX HUNDRED DOLLARS		
TO CITIZENS COMMERCIAL & SAVINGS BANK FLINT MICHIGAN 7		
OTTO P. GRAFF, Inc. \$ 600.00 DOLLARS		
H. S. W.		
SECRETARY		

EXHIBIT No. 48E

7452	764		
OTTO P. GRAFF, INC.		NO	7953
Flint's Ford Dealer Since 1914			
613-615 S. Saginaw Street			
FLINT MICHIGAN		October 15,	1935
PAID TO THE ORDER OF CITIZENS COMMERCIAL BANK			
400.00			
OTTO P. GRAFF, INC.			
CITIZENS COMMERCIAL BANK			
SAVINGS BANK			
FLINT MICHIGAN			
DOLLAR			

EXHIBIT No. 48F

OTTO P. GRAFF, INC. Flint & Ford Dealer Since 1914 913 915 S. Seginaw Street		NO 9081		74 52 764
FLINT, MICHIGAN		JANUARY 1, 1955		
PAID TO THE ORDER OF CITIZENS COMMERCIAL & SAVINGS BANK (CREDIT TO THE ORDER OF CITIZENS COMMERCIAL & SAVINGS BANK)		2500.00		DOLLARS
OTTO P. GRAFF, INC.		W. J. Hagan		
CITIZENS COMMERCIAL & SAVINGS BANK FLINT, MICHIGAN				SECRETARY TREASURER

EXHIBIT No. 48G

<p>OTTO P. GRAFF, INC. Flint's Ford Dealer Since 1914 913-915 S. Saginaw Street</p>		<p>NO 1264</p>	<p>74 52 764</p>
<p>FLINT, MICHIGAN</p>		<p>7-23 1956</p>	
<p>PAY TO THE ORDER OF</p>	<p><i>Flint's Ford Dealers Association</i> \$1325 97</p>		<p>DOLLARS</p>
<p>TO CITIZENS COMMERCIAL BANK & SAVINGS</p>	<p>444-1325-970</p>	<p>OTTO P. GRAFF, INC. <i>O. P. Graff</i></p>	<p>SEC BY TREAS</p>
<p>FLINT MICHIGAN</p>			

<p>OTTO P. GRAFF, INC. Flint's Ford Dealer Since 1914 913-915 S. Saginaw Street</p>		<p>NO 3259</p>	<p>74-52 764</p>
<p>FLINT, MICHIGAN</p>		<p>January 28 19 57</p>	
<p>PAY TO THE ORDER OF</p>		<p>OTTO P. GRAFF, INC.</p>	<p>\$ 775.00</p>
<p>CITIZENS COMMERCIAL & SAVINGS BANK</p>		<p>775.00</p>	<p>DOLLARS</p>
<p>FLINT, MICHIGAN</p>		<p>OTTO P. GRAFF, INC.</p>	

EXHIBIT No. 50A

LABOR RELATIONS ASSOCIATES

1000 Connecticut Ave.

Washington, D. C.

Telephone: 333-1111

EXHIBIT No. 50B



LABOR RELATIONS ASSOCIATES

EXHIBIT No. 50D



EXHIBIT No. 50E

LABOR RELATIONS ASSOCIATES

INCORPORATED

1400 LEXINGTON AVENUE, NEW YORK 17, N.Y.

Telephone: MU 2-1100

Teletype: MU 2-1100

ATTENTION: Mr. [Name]

1400 LEXINGTON AVENUE
NEW YORK 17, N.Y.

Enclosed for Mr. [Name] is a copy of [Document]

Very truly yours,
[Signature]

LABOR RELATIONS ASSOCIATES, INC.

Exhibit No. 50F

LABOR DIVISION

U. S. DEPARTMENT OF LABOR

WASHINGTON, D. C.

January 1, 1934

Dear Sir:

Reference is made to your letter of December 15, 1933.

The Bureau has no objection to the proposed plan.

Very truly yours,

Director

EXHIBIT No. 50G

LABOR RELATIONS ASSOCIATES

OF CALIFORNIA, INC.

1000 Wilshire Boulevard, Suite 1400

Los Angeles, California

Los Angeles, California

ALL

TO: [illegible]

FROM: [illegible]

RE: [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

EXHIBIT No. 41A

7411

PAY TO THE ORDER OF

LABOR NATIONAL ASSOCIATES

75 EAS WACKER DRIVE

CHICAGO 1, ILLINOIS

ROYALTY COMPANY

1111 CLIFORD STREET

CHICAGO 1, ILLINOIS

CASE

123-

DEC 31 '54

PAY TO

AT

CHIEF COUNTY SAVINGS BANK

CHICAGO

705.00

AGENT

705.00

NATIONAL BANK

CHICAGO

CHIEF COUNTY SAVINGS BANK

CHICAGO

Payable At
GENESEE COUNTY SAVINGS BANK
Fort Michigan

**ROYAL LIFE
COMPANY**

115 CLIFFORD STREET
FLINT, MICH.

ROYAL LIFE INSURANCE CO.

EXHIBIT No. 51C

ROYALTY
COMPANY
CHURCH STREET
ST. MARY

TABLE A1
GENERAL ACCOUNTS SALES & BANK
FOR MONTH

1934

1935

1936

EXHIBIT No. 51D

7641
764

Payable At
GENESEE COUNTY SAVINGS BANK
First, Michigan

ROYALTY
COMPANY

420 516 CLIFFORD STREET
CLINTON, MICH.

AMOUNT

COUNT

CHECKING

DATE

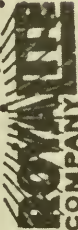
AUTHORIZED SIGNATURE

DATE OF SIGNATURE

EXHIBIT No. 51E

14.51
-
764

Payable At
GENESEE COUNTY SAVINGS BANK
Flint, Michigan



512 516 FLINT STREET
FLINT 3, MICH.

DATE

JUL 7 1964

CHECK NO.

6470

PAY TO THE ORDER OF

AMOUNT

4 00 00

ROYALTY COMPANY

6/26/64

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

EXHIBIT No. 51F

7431
764

ROYALTY
COMPANY

12 518 CLIFFORD STREET
FLINT 3 MICH.

PAID TO
GENESEE COUNTY SAVINGS BANK
FLINT, MICH.

AMOUNT
500.00

DATE
12 7 4

INITIALS
J. A. M.

SIGNATURE
J. A. M.

DATE
12 7 4

INITIALS
J. A. M.

SIGNATURE
J. A. M.

DATE
12 7 4

INITIALS
J. A. M.

SIGNATURE
J. A. M.

EXHIBIT No. 51G

ROYALTY COMPANY

CONTENTS

125

○
P
X
/

Pay to A:
CENTY SAVING BANK
P. M. 1940

EXHIBIT No. 52

FROM REGISTER ASSOCIATES



150000

150000

A 7997

150000

150000

74-80

15

150000

150000

EXHIBIT No. 53A

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2160

April 30, 1954

MacGregor Tire Company
725 Harrison Street
Flint 3, Michigan

Retainer fee for the month of May, 1954

\$ 75.00

Disbursements for the month of April, 1954

631.99

\$706.99

10-11497

*Legal
Paul C. [unclear]*

EXHIBIT No. 53B

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2160

November 30, 1954

MacGregor Tire Co.
725 Harrison St.
Flint, Michigan

Retainer fee for the month of December, 1954

\$ 75.00

Disbursements for the month of November, 1954

520.08

\$595.08

*signed by
auditor**60-12415
inc. pay
60-12417*

EXHIBIT No. 53C

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2160


September 30, 1955

MacGregor Tire Company
725 Harrison Street
Flint, Michigan

Retainer fee for the month of October, 1955	\$ 50.00
Disbursements for the month of September, 1955	<u>300.00</u>
	\$350.00

ok Leonard + audit

VO-13578



MacGREGOR TIRE CO.
Harris at Fourth St.
FLINT 3, MICHIGAN

NO 11697

74-51
764
1957

MACGREGOR TIRE CO.
706 and 99 cts

MacGREGOR TIRE CO.

Lee F. Dreyer

GENESEE COUNTY SAVINGS BANK
FLINT 4, MI

FEDERAL RESERVE BANK
OF CHICAGO

NATIONAL BUREAU OF FIRE UNDERWRITERS
MAY 21 1957

CHRYSLER
MAY 16 1957

THE FIRST OF DEPOSIT BANK OF ILL.
MEMBER OF THE NATIONAL ASSOCIATION OF BANKS AND TRUSTS
MEMBER OF THE NATIONAL CREDIT CARD ASSOCIATION
MEMBER OF THE NATIONAL ENDORSEMENTS GUARANTEE

NATIONAL CREDIT CARD ASSOCIATION

EXHIBIT No. 54D

MacGREGOR TIRE CO.
Huron at Fourteenth
MAY 3, 1920
74-51
764
\$ 330.00
DOLLARS
MacGREGOR TIRE CO.
GENESEE COUNTY SAVINGS BANK
FLINT MICHIGAN

Pay to NATIONAL TRUSTED BANK
59 59
LABOR RELATIONS ASSOCIATES OF CHICAGO, INC.

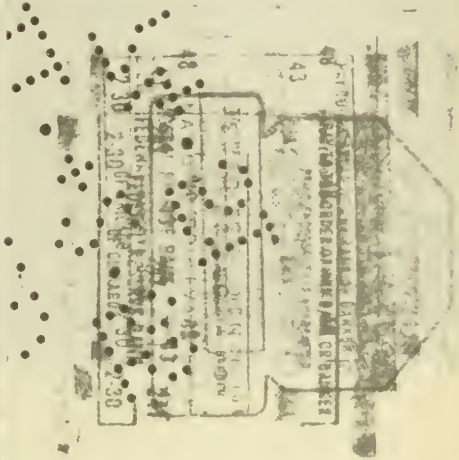


EXHIBIT No. 55A

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2160

August 31, 1954

Anolegate Chevrolet Co.
3637 S. Dearborn St.
Flint, Michigan

Retainer fee for the month of September, 1954

\$ 300.00

Disbursements for the month of August, 1954

1,927.06

\$2,293.06

Wk
5/2

EXHIBIT No. 55B

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2160

May 31, 1955

Applegate Chevrolet Company
3637 S. Saginaw Street
Flint, Michigan

Retainer fee for the month of June, 1955 \$ 100.00

Disbursements for the month of May, 1955 2,005.08

\$2,105.08

OK
Sagittarius
6/1/55

826-1555
62-13483

EXHIBIT No. 55C

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2160

December 31, 1955

Applegate Chevrolet
3637 S. Saginaw Street
Eliot, Michigan

Retainer fee for the month of January, 1956

\$100.00

Disbursements for the month of December, 1955

402.06

\$402.06

*rec'd 1-17-56
Ck 2-11-57*

EXHIBIT No. 55D

LABOR RELATIONS ASSOCIATES

of Chicago, Inc.

75 East Wacker Drive, Chicago 1, Illinois

TELEPHONE CENTRAL 6-2160

May 31, 1956

Applegate Chevrolet Company
3637 South Saginaw Street
Flint, Michigan

Retainer fee for the month of June, 1956	\$100.00
Disbursements for the month of May, 1956	<u>2,000.00</u>
	\$2,100.00

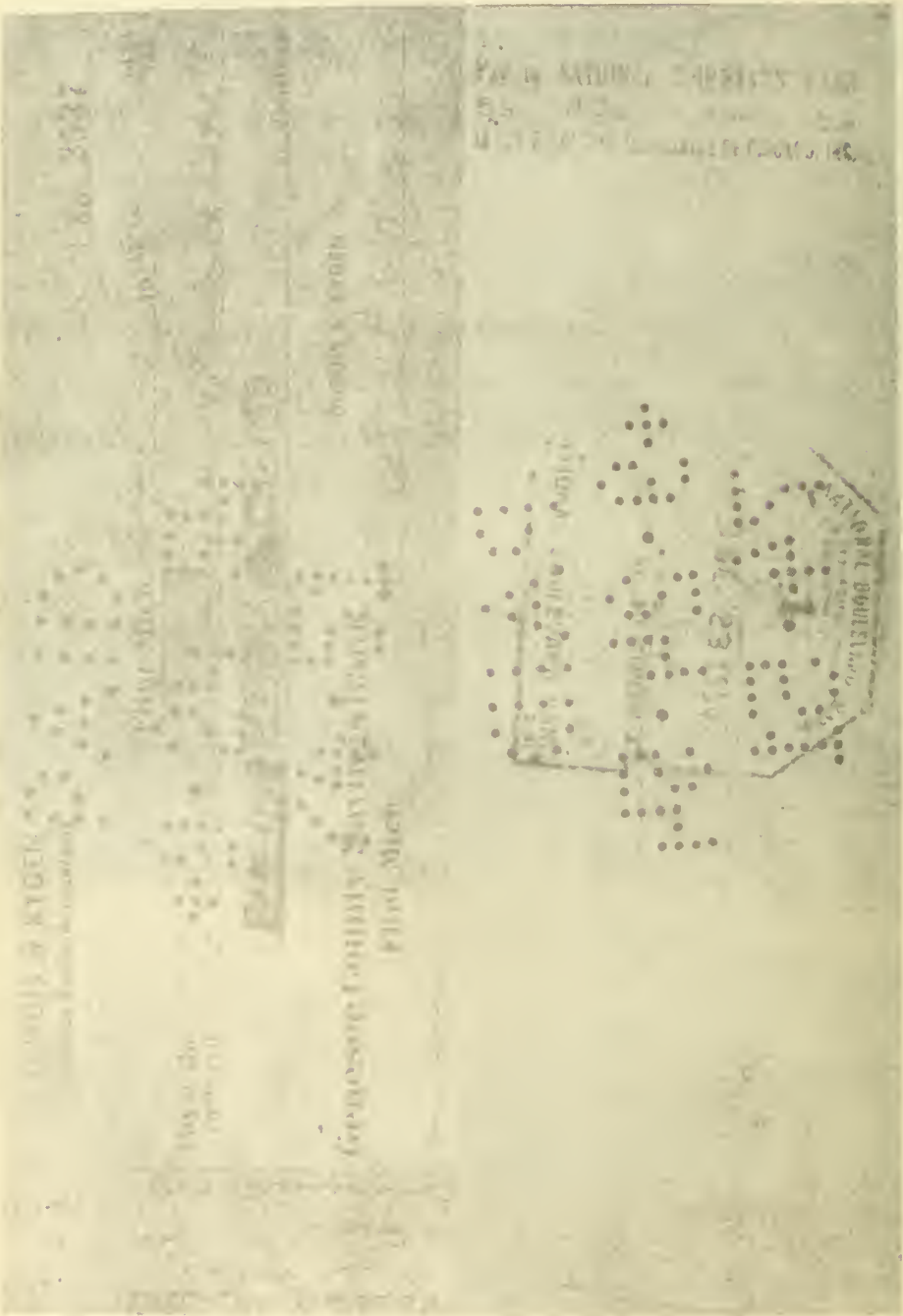


EXHIBIT No. 56B

DUPUIS & RYDEN
Certified Public Accountants

No. 3183

1917

Flint, Mich.

Pay to the
order of

EXACTLY \$21.00

Genesee County Savings Bank

Flint, Mich.

DUPUIS & RYDEN

Dollars

5

1107
No. 1107
2421
DOLLAR
DUPES & SYDEN
George Washington Savings Bank
1000 10000

1107
2421
DOLLAR
DUPES & SYDEN
George Washington Savings Bank
1000 10000

EXHIBIT No. 56D

DUPUIS & RYDEN
Certified Public Accountant

No. 1780

Pay to the order of *John J. ...*

EXACTLY 100.00 DOLLARS

Genesee County Savings Bank
Buff, N.Y.

DUPUIS & RYDEN

BY *John J. ...*

Dollars

WILLIAM W. ... BANK
59
100.00

EXHIBIT No. 57A

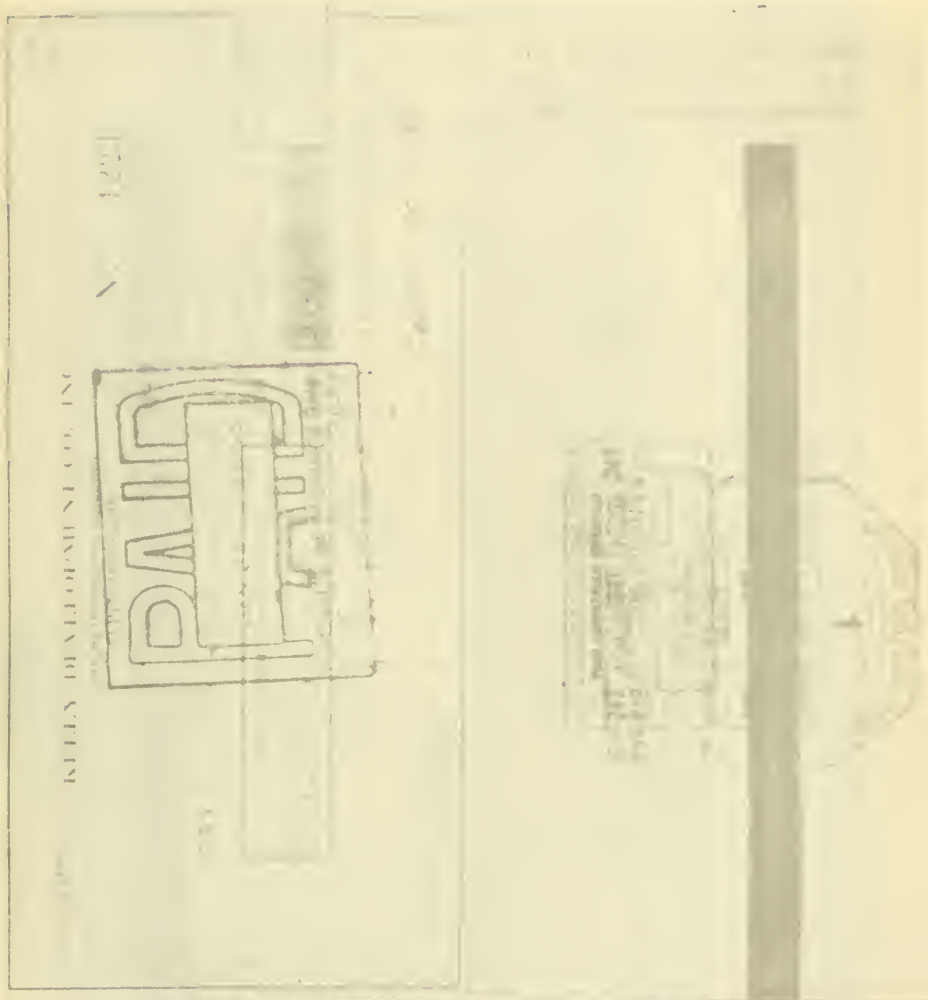
LABOR RELATIONS ASSOCIATES

1000 Broadway, New York 10001

Tel. (212) 691-1111

Telex 212 691 1111

EXHIBIT No. 57B



In re Labor Relations Investigations,-- (Geo. Remond)

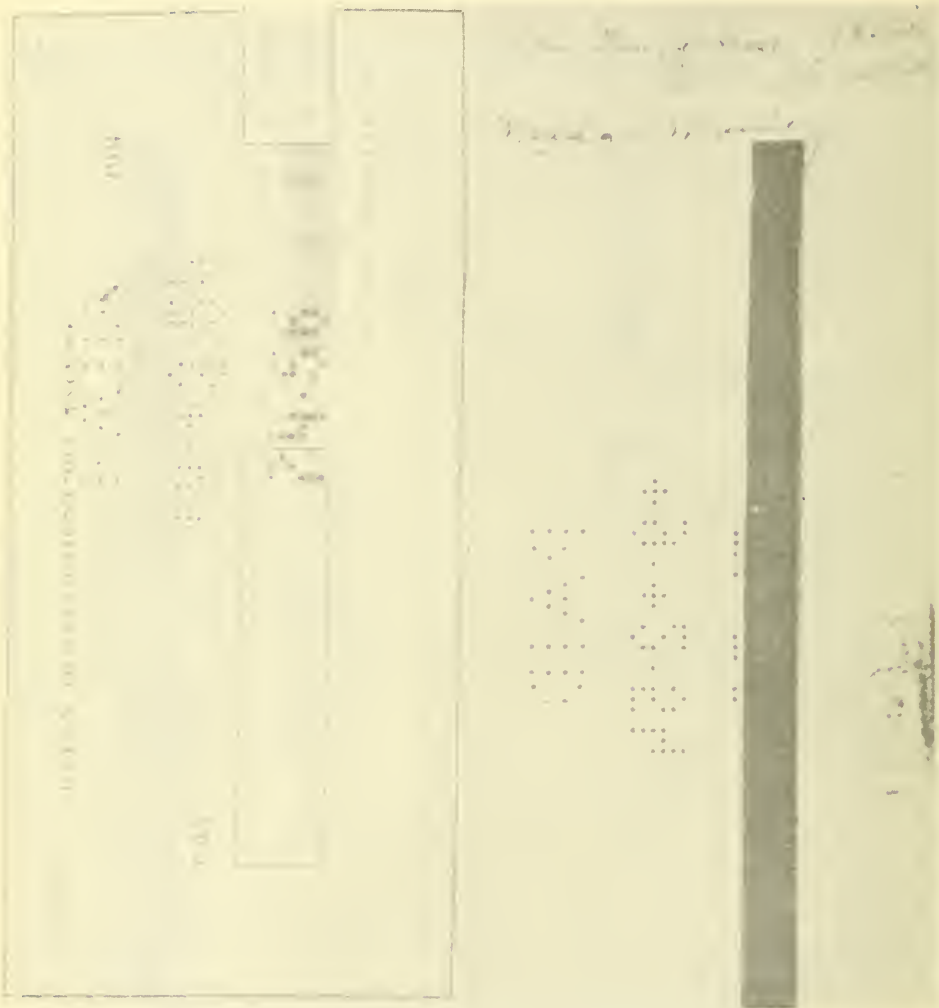


EXHIBIT No. 60

TRAVEL

FROM Chicago TO Augusta DEPARTED _____ ARRIVED _____
 FROM _____ TO _____ DEPARTED _____ ARRIVED _____

EXPENSES

TYPE OF TRAVEL ACCOMMODATION PlaneFARE OR MILEAGE EXPENSE 119.03 LEAS Sarp TOTAL \$ _____
PULLMANBAGGAGE CHARGE _____ BAGGAGE TIPS 1.75 TOTAL 1.75TAXIS: FROM Hotel TO Union Rot FARE 2.00(INCLUDING TIPS) FROM Hotel TO Airport FARE 3.00FROM Airport TO Hotel FARE 1.50

FROM _____ TO _____ FARE _____

HOTEL (NAME) Bon Air COST 5.45BREAKFAST 1.60 LUNCH 1.75 DINNER 4.80 TOTAL 7.35

VALET _____ LAUNDRY _____ TOTAL _____

OTHER TIPS (EXPLAIN) _____ TOTAL _____

TELEGRAMS (ATTACH COPIES) _____ POSTAGE _____ TOTAL _____

TELEPHONES:

TO	PLACE	CLIENT	CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE

SUNDRIES (EXPLAIN) Out of pocket - 100.00 - 100.00TOTAL 400.00QUEST EXPENSE (EXPLAIN) Out of pocket - 4.00 - 4.00TOTAL 9.00

MEMORANDUM

GRAND TOTAL 480.25114.03

549.28

1374

EXHIBIT No. 61

TRAVEL

FROM Clare TO Enrt DEPARTED _____ ARRIVED _____
 FROM Enrt TO Defint DEPARTED _____ ARRIVED _____

EXPENSES

TYPE OF TRAVEL ACCOMMODATION Car

FARE OR MILEAGE EXPENSE 21.30 PULLMAN _____ TOTAL \$ 21.30

BAGGAGE CHARGE _____ BAGGAGE TIPS 1.00 TOTAL 1.00

TAXIS FROM _____ TO _____ FARE _____

(INCLUDING TIPS) FROM _____ TO _____ FARE _____

FROM _____ TO _____ FARE _____

FROM _____ TO _____ FARE _____

HOTEL (NAME) _____ COST _____

BREAKFAST 1.25 LUNCH 1.50 DINNER X TOTAL 2.75

VALET _____ LAUNDRY _____ TOTAL _____

OTHER TIPS (EXPLAIN) _____ TOTAL _____

TELEGRAMS (ATTACH COPIES) _____ POSTAGE _____ TOTAL _____

TELEPHONES:

TO	PLACE	CLIENT	
			CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE

SUNDRIES (EXPLAIN) Shirley Xmas 42.50

TOTAL 425.80

GUEST EXPENSE (EXPLAIN) _____

TOTAL _____

MEMORANDUM

GRAND TOTAL 450.85

EXHIBIT No. 62

TRAVEL

FROM _____ TO _____ DEPARTED _____ ARRIVED _____

FROM _____ TO _____ DEPARTED _____ ARRIVED _____

EXPENSES

TYPE OF TRAVEL ACCOMMODATION _____

FARE OR MILEAGE EXPENSE 1620.20 PULLMAN _____ TOTAL \$ 1620.20

BAGGAGE CHARGE _____ BAGGAGE TIPS _____ TOTAL _____

TAXIS: FROM _____ TO _____ FARE _____

(INCLUDING TIPS) FROM _____ TO _____ FARE _____

FROM _____ TO _____ FARE _____

FROM _____ TO _____ FARE _____

HOTEL (NAME) _____ COST _____

BREAKFAST _____ LUNCH _____ DINNER _____ TOTAL _____

VALET _____ LAUNDRY _____ TOTAL _____

OTHER TIPS (EXPLAIN) _____ TOTAL _____

TELEGRAMS (ATTACH COPIES) _____ POSTAGE _____ TOTAL _____

TELEPHONES:

TO	PLACE	CLIENT	
			CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE

SUNDRIES (EXPLAIN) _____

TOTAL _____

GUEST EXPENSE (EXPLAIN) Grand total 5.75TOTAL 5.75MEMORANDUM 6 tickets for Otto GaffGRAND TOTAL 1625.95

1082

EXHIBIT No. 63

LABOR RELATIONS ASSOCIATES, INC.
TRAVEL EXPENSE REPORT

Staff Member

J. J. Moore

No.	Date	Description	Amount	Total
1. Date				
2. Place (City or Town)				
3. Hotel				
4. Mileage Cost @ 0¢ per mile				
5. Auto Storage-Parking-Tolls				
6. Fare; Plane Railroad				
7. Pullman				
8. Baggage-Porters-Red Caps				
9. Taxi-Carfare include tips				
10. TOTAL TRANSPORTATION 4-9 incl.				
11. Hotel Room				
12. Own Meals include tips				
13. Valet - Laundry				
14. Tips - except those above				
15. TOTAL LIVING COST 11-14 incl.				
16. Telephone				
17. Other sundries and postage				
18. TOTAL TEL. AND SUNDRIES				
19. Guest Expense				
20. GRAND TOTAL 10-15-18-19				
REMARKS: <i>See guest</i>				
Cash Advanced				
Cash Returned				
Due: Traveler <input checked="" type="checkbox"/> Company				
Avg. daily living exp.				
Traveler Sign <i>[Signature]</i> Date <i>8/20</i>				
Approved by				

EXHIBIT No. 64

2736

NO

1944

DOLLARS

LABOR RELATIONS ASSOCIATES

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

CHICAGO ILL

PAY TO THE
ORDER OF

George W. Kennedy

Two Thousand and no/100

NATIONAL BOULEVARD
BANK
CHICAGO, ILL

2000.00

George W. Kennedy
James W. Kennedy

EXHIBIT No. 65B

[illegible]

EXHIBIT No. 66

TRAVEL

FROM Washington TO Chicago DEPARTED _____ ARRIVED _____
 FROM _____ TO _____ DEPARTED _____ ARRIVED _____

EXPENSES

TYPE OF TRAVEL ACCOMMODATION

FARE OR MILEAGE EXPENSE

TOTAL \$ 2.00

BAGGAGE CHARGE

BAGGAGE TIPS

TOTAL 2.00

TAXIS

FROM StationTO PlantFARE 1.00

(INCLUDING TIPS)

FROM unfortTO HotelFARE 4.00FROM 1st YrTO 1st & 2ndFARE 3.00

FROM

TO

FARE

HOTEL (NAME)

MarriottCOST 12.00

BREAKFAST

1.25

LUNCH

XDINNER 6.00TOTAL 7.25

VALET

LAUNDRY

TOTAL

OTHER TIPS (EXPLAIN)

TOTAL

TELEGRAMS (ATTACH COPIES)

POSTAGE

TOTAL

TELEPHONES:

TO	PLACE	CLIENT	CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE
			CHARGE

SUNDRIES (EXPLAIN)

ed. 5.00TOTAL 5.00

GUEST EXPENSE (EXPLAIN)

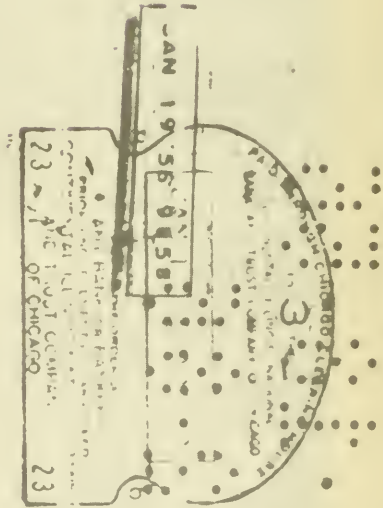
ed. 23.00TOTAL 23.00

MEMORANDUM

GRAND TOTAL 77.50

LABOR RELATIONS ASSOCIATES of Chicago, Inc.		No. 4847
CHICAGO, ILL.		Jan 16 19 56
PAY TO THE ORDER OF George Lamson		286 710
One Thousand Seven Hundred Seventy-six and 79/100 DOLLARS		\$ 1,776.79
NATIONAL BOULEVARD BANK OF CHICAGO CHICAGO, ILL.		LABOR RELATIONS ASSOCIATES of Chicago, Inc. <i>Shelton Shefferman</i>

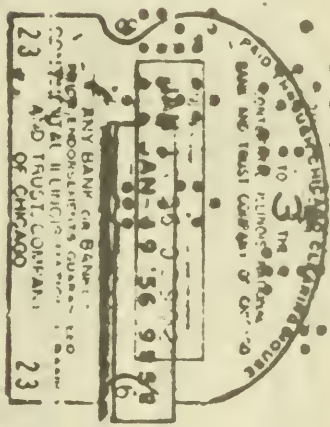
George Lamson



*Charles E. ...
 City ...
 ...*

George Kamenov

+6



Stellen Kamenov
George Kamenov

LABOR RELATIONS ASSOCIATES of Chicago, Inc.		No. 4848
CHICAGO, ILL.		286 710
George Kamenov		19 56
PAY TO THE ORDER OF		529.20
Five Hundred Twenty-nine and 20/100		
DOLLARS		
NATIONAL BOULEVARD BANK OF CHICAGO CHICAGO, ILL.		
LABOR RELATIONS ASSOCIATES of Chicago, Inc.		
<i>Stellen Kamenov</i>		

EXHIBIT No. 67C

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

No. 5834

July 20, 1956

2-86
710

PAY TO THE
ORDER OF George Kamenow

Two thousand forty three and 80/100

\$2,043.80

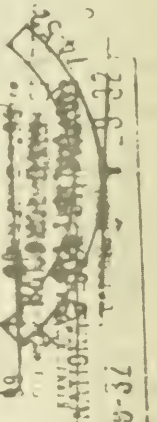
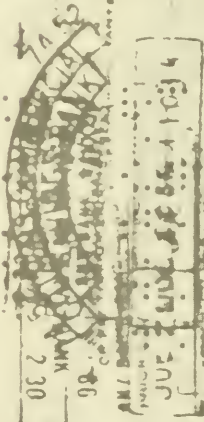
NATIONAL BOULEVARD BANK
OF CHICAGO
CHICAGO, ILL.

LABOR RELATIONS ASSOCIATES
of Chicago, Inc.

Shepton Shepper

George Kamenow

RECEIVED
JUL 27 1956
CHICAGO, ILL.



COVITZ

EXHIBIT No. 68

charged
CLIENTS TO WHOM GEORGE KAMENOW GAVE CHRISTMAS GIFTS

Name of Client	1953		1954		1955		1956	
	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Acme Welding		\$		\$		\$	12/11	\$ 25.00
Albert's Inc.					12/6	100.00	11/8	100.00
Applegate Chev.					12/8	300.00	11/9	150.00
Arthur's Pontiac							12/19	50.00
Awrey Bakery	12/18	425.80	12/13	468.52	12/23	460.00	11/13	460.00
Ecston Shoe							11/12	100.00
Chamberlain	12/12	350.00	12/17	350.00	12/16	550.00	11/3	300.00
							12/14	425.00
Charlie's					12/14	160.00		
Chisca Hotel			12/18	100.00	12/22	100.00		
Cotharin's							11/12	100.00
Cupples - Hesse					12/12	100.00	11/7	100.00
Detroit Bolt & Nut	12/14	150.00	12/14	103.00	12/12	140.00		
Electro Mfg.	12/15	150.00						
Famous Furn.	12/21	100.00						
Flint Home	12/16	150.00	12/15	250.00	12/8	150.00	11/6	150.00
							11/9	50.00
Goldman Machinery	12/17	200.00			12/17	300.00	11/8	250.00
Gollsmith's					12/17	150.00	12/7	150.00
Gord Housekeeping	12/22	50.00	12/17	50.00	12/9	50.00		
Gordon Bakery	12/16	150.00	12/13	150.00	12/12	200.00	11/9	250.00
Gridiron			12/18	100.00				
Otto Groff					12/8	150.00		
Hot Point					12/6	100.00	12/11	100.00
Kerns	12/28	100.00	12/16	100.00	12/22	100.00		
King Cotton			12/18	25.00				
Kresge-Newark	12/21	250.00	12/14	350.00	12/16	250.00	12/6	350.00
LRA-Sales-(Cards)	12/22	94.30						
LRA-to Clients & Unions & Accts. & lawyers & others	12/23	631.77	12/22	870.35	12/18	967.50	12/8	1655.00
LRA - to Clients	12/24	84.24						
X-mas Party	12/24	41.45	12/24	16.00				
MacGregor Tire					12/22	100.00	11/8	100.00
McDonald Dairy							11/6	150.00
							12/4	400.00
Morleys							11/9	100.00
Moynahan Bronze					12/22	100.00	11/8	150.00
Weisner's							12/6	100.00
Peabody			12/18	75.00	12/22	100.00		
Plastray							11/4	300.00
							12/5	600.00
Re-Steel					12/9	100.00		
Robinson Furn.	12/21	50.00	12/17	51.50	12/14	100.00	11/16	150.00
Royalite			12/23	600.00			12/17	500.00
Service Parking			12/16	206.00	12/22	200.00	11/8	200.00
Simms			12/16	103.00			12/19	50.00
Sam Stolerow			12/18	103.00	12/14	400.00	11/7	100.00
							12/4	300.00
Three Sisters	12/15	100.00	12/17	103.00	12/13	100.00	12/6	100.00
Toledo Home Furn.							11/19	100.00
United Shirt			12/17	51.50	12/13	225.00	11/13	225.00
Vestal			12/16	100.00	12/14	100.00		
Weingarden					12/8	150.00		
Wolf Detroit Envelope	12/14	300.00	12/15	206.00	12/9	300.00	11/5	325.00
Worth Clothes	12/17	150.00	12/20	103.00	12/22	50.00	11/9	105.00
TOTAL		\$ 3,527.56		\$ 4,634.87		\$ 6,292.50		\$ 8,820.00

Total Expenditure for X-mas Gifts for Four-Year Period \$23,274.93

EXHIBIT No. 69

GEORGE KAMENOW1953 - 1956Schedule of Selected Entertainment and Transportation Expenses Shown on
Daily Reports

DATE	AMOUNT	PLACE	CLIENT	EXPLANATION
2-8-53	\$ 110.00	Waterloo, Iowa	Chamberlin	Meals Co. & Union - Tickets to Fight Union
2-17-53	124.17	Waterloo, Iowa	Chamberlin	Meals Co. & Union
2-18-53	60.00	Waterloo, Iowa	Chamberlin	Meals Co. & Union and Govt.
3-7-53	115.45	Detroit	3 Sisters	Baby Gifts
5-7-53	110.00	Flint	Flint Home	Entertainment-Co. & Union
12-10-53	52.00	Waterloo, Iowa	Chamberlin	Din.-Ent. Co. & Union
12-12-53	89.00	Waterloo, Iowa	Chamberlin	Lunch - Dinner & Ent.
12-12-53	350.00	Waterloo, Iowa	Chamberlin	Xmas Gift
12-14-53	150.00	Detroit	Detroit Bolt & Nut Co.	Xmas Gift
12-14-53	300.00	Detroit	Wolf Det. Envelope Co.	Xmas Gift
12-15-53	150.00	Detroit	Electro Mfg.	Xmas Gift
12-15-53	100.00	Detroit	3 Sisters	Xmas Gift
12-16-53	164.10	Flint	Flint Home	Xmas Gift
12-16-53	150.00	Detroit	Gordon Baking	Xmas Gift
12-17-53	150.00	N.Y.C., N.Y.	Worth Cloth.	Xmas Gift
12-17-53	200.00	Dearborn	Goldman Mach.	Xmas Gift
12-18-53	425.80	Detroit	Audrey Bakery	Xmas Gift
12-21-53	250.00	Newark, N.J.	Kresge	Xmas Gift
4-16-54	392.04	Flint	MacGregors	6 R.T. Fares; 3 dbl. Rooms, Ent. Union & Co. officials
4-17-54	107.00	Flint	" "	3 Rooms - Ditto
4-22-54	186.68	Waterloo, Iowa	Chamberlin	Ent., etc. Co. & Union
4-25-30-54	573.41	Various	-- --	Teams, Dinner-Ent. Union-Louisville, Cinn., to N.Y.C.
5-28-54	51.65	-- --	LRA	Det. to Grayling with Union
5-29-54	106.00	-- --	"	Grayling to Bay Ont. w/ Union
5-30-54	228.80	-- --	"	Benny to Blend River " "
5-31-54	67.35	-- --	"	Blend River to Det. " "
6-21-54	1,630.20	Flint	Otto Graff	6 Tickets to Seattle & Return
7-10-54	114.13	-- --	-- --	Seed for Union Officials
8-7-54	181.95	-- --	LRA	Sales Expenses "See Me"
10-29-54	162.26	-- --	LRA	Expenses "See Me for Explan." K
11-19-54	520.08	Flint	MacGregors	8 Plane Tickets to NYC & Ret.
11-19-28-54	2,011.00	"	Kelly Homes	Hotel Rooms \$756. Meals \$630. Entertainment \$625.
12-13-54	150.00	Detroit	Gordon Baking	Xmas Gifts
12-13-54	468.52	"	Awrey	Xmas Gifts
12-14-54	350.00	Newark, N.J.	Kresge	Xmas Gifts
12-14-54	103.00	Detroit	Det. Bolt & Nut	" "
12-15-54	206.00	"	Wolf Det. Env.	" "
12-15-54	250.00	Flint	Flint House	" "
12-16-54	103.00	Pontiac	Simms	" "
12-16-54	206.00	Detroit	Service Parking	" "
12-16-54	100.00	"	Kerns	" "
12-17-54	350.00	Waterloo	Chamberlain	" "
12-18-54	103.00	Pontiac	Sam Stalonow	" "
12-23-54	600.00	Flint	Royalite	" "

EXHIBIT No. 69—Continued

page 2

George Kamenow 1953-1956
 Schedule of Selected Entertainment, Xmas and Transportation
 Expenses Shown on Daily Reports - (continued)

<u>Date</u>	<u>Amount</u>	<u>Place</u>	<u>Client</u>	<u>Explanation</u>
	\$ 12,372.59			
1-15-55	193.68	Flint	LRA	Purchases from Sears
2-1-55	15.00	"	"	Union official in hospital
3-19-55	75.00	Detroit	Sanderc, Fred	Dine & Ent. Union officials
3-22-55	75.00	"	Aurey's Bakg.	at Miami
	75.00	"	Gordon Bakg.	" " " " " "
4-9-55	166.75	--	LRA	Spcl. purchases at Sears,
5-2-55	153.33	--	"	Flint " " " " "
9-2 to 9-5	259.73	--	"	Holiday week end with union officials
9-27-55	27.50	--	"	Ent. Govt. official
9-30-55	260.31	Waterloo, Ia.	Chamberlain	Spc. Gifts, Dinner & Ent.
10-6-55	16.00	Detroit	Geo.C.Knight	Soccer tickets for union
10-10-55	77.00	--	Various	Dinner-theatre tickets union
10-15-55	80.10	Saginaw	3 Sisters	Mu-Ent. Union at game
11-10 - 11-18	703.91	--	Various	Travel to Iron Mountain - Expenses
12-2-55	125.00	--	"	Din. & Ent. union
12-3-55	122.00	--	"	" " " " "
12-4-55	96.50	--	"	" " " " "
12-5-55	14.25	--	"	Breakfast & Lunch union
12-8-55	300.00	Flint	Applegate	
			Chev.	Xmas gifts
"	150.00	"	Otto Graff	" "
"	150.00	"	Weingarden	" "
"	150.00	"	Flint Home	" "
12-9-55	300.00	Detroit	Wolf Deten	" "
12-10-55	150.00	Flint	McDonald	" "
12-12-55	100.00	Detroit	Cupples-Hesse	" "
12-13-55	225.00	"	United Shirt	" "
"	100.00	Saginaw	3 Sisters	" "
12-14-55	100.00	Detroit	Charlie's	" "
"	100.00	"	Pobinsan Furn.	" "
"	400.00	"	Sam Stalsnow	" "
12-16-55	250.00	Newark, N.J.	Kresge	" "
"	550.00	Waterloo, Ia.	Chamberlain	" "
12-17-55	150.00	--	Goldsmiths	" "
"	300.00	Dearborn	Harry Goldman	" "
12-18-55	957.50	--	LRA	" " Union & clients
12-22-55	200.00	Detroit	Service Pkg	" "
"	100.00	--	Peabody Hotel	" "
"	100.00	Flint	McGregor	" "
"	100.00	--	Clauss Hotel	" "
"	100.00	Detroit	Kerns	" "
12-23-55	460.00	"	Aurey Bak.	" "
5-10-56	50.00	Flint	McDonald D.	Dinner Conf. union
5-12-56	84.00	"	"	" " Ent. Co & union
5-13-56	85.00	"	"	" Ent. union
5-15-56	151.50	"	"	Ent. union
5-19-56	128.00	--	LRA	Theatre tickets union
	\$ 20,909.65			

EXHIBIT No. 69—Continued

GEORGE KAMENOW

1953-1956

Schedule Of Selected Entertainment, Xmas Gifts, Transportation, Etc.,
Expenses Shown on Daily Reports - (continued)

<u>Date</u>	<u>Amount</u>	<u>Place</u>	<u>Client</u>	<u>Explanation</u>
5/23/56	86.00	Wash., D. C.	LRA	<u>ACW Convention-Ent. Unions</u>
5/26/56	125.00	Flint	McDonald	Din. & Ent. Union
5/30/56	205.00	"	"	<u>Entertaining (Fishing) Union</u>
6/1, 2 & 3	525.00	"	"	<u>Trip - Union</u>
6/19/56	240.85	Waterloo	Chamberlain	Lunch, Din., Ent., Co. & Union
6/20/56	205.50	"	"	" " " " "
6/21/56	140.00	"	"	" " " " "
7/4, 5, 6, 7, 8	2,000.00	Flint	Salay	<u>Travel, Meals, Ent.</u>
7/15/56	125.50	"	McDonald	Ent. Union
7/17/56	344.25	Waterloo	Chamberlain	Ent. & Dinner
7/18/56	306.40	"	"	" " " Etc.
7/19/56	203.25	"	"	" " "
7/20/56	13.50	"	"	Lunch Union
7/21/56	107.50	"	"	" Din., Ent. Co. & Union
7/24/56	207.50	Detroit	Wolf Detenv.	Lunch - Ent. Union
8/28/56	100.00	"	"	Dinner - Ent. - Union
8/30/56	49.00	--	N. Y. Trip	" - Union
8/31/56	280.00	--	"	" - Theatre Tickets-Union
9/1/56	167.00	--	"	" - Lunch -Ent. Union
9/2/56	108.50	--	"	" " " "
9/3/56	80.20	--	"	" Lunch-Ent. Fees
9/28/56	180.87	--	LRA	<u>Rifles - Union</u>
10/31/56	200.00	Detroit	Plastray Corp.	<u>Hunting Trip - Union</u>
11/2/56	181.00	Waterloo	Chamberlain	Lunch, Din, Ent, Etc. Co. & Union
11/5/56	325.00	Detroit	Wolf Det. Env.	Xmas Gifts
11/3/56	334.90	Waterloo	Chamberlain	<u>Xmas Gifts-Tickets, Game, Etc.</u>
11/4/56	343.85	Detroit	Plastray	" " Din. Co. & Att.
11/6/56	150.00	Flint	McDonald	" "
11/6/56	150.00	"	Flint Home	" "
11/7/56	100.00	Detroit	Cupples-Hesse	" "
11/7/56	100.00	Pontiac	S. Stolonow	" "
11/8/56	200.00	Detroit	Service Pky.	" "
11/13/56	225.00	"	United Shirts	" "
"	460.00	"	Aurey Baking	" "
12/4/56	400.00	Flint	McDonald	" "
"	300.00	Pontiac	S. Stolonow	" "
12/5/56	600.00	Detroit	Plastray Corp.	" "
12/6/56	350.00	Newark, N. J.	Kresge	" "
12/8/56	1,655.00	--	LRA	" " (See GK for List)
12/14/56	425.00	Waterloo	Chamberlain	" "
12/17/56	500.00	Flint	Royalite	" "
Total	\$33,710.22			

Total of all Xmas gifts - 1956

\$8,120.00

EXHIBIT No. 71

MEMO OF AGREEMENT

This is a supplement to and part of the agreement of November 18th, 1933 copy of which is appended.

All provisions of the earlier agreement continue in full force and effect except as modified by this supplement.

This agreement made and entered into this First day of October, 1934 by and between the Retail Associates, Inc. for and on behalf of the LaSalle & Koch Company, the Lion Dry Goods, Inc., Tiedtke's, Inc., Lamson Brothers, Toledo, Ohio, for whom the Retail Associates, Inc. act as bargaining agent, hereinafter called the EMPLOYER and Local No. 20 of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, A.F. of L., hereinafter called the UNION.

The Union and the above mentioned companies agree as follows:

1. Union Security
2. 42½ hours constitute a guaranteed work week, same rate time pay.
- 2a. The Employer reserves the right to stagger his drivers and warehousemen, some from Monday through Friday, others from Tuesday through Saturday.
3. Any time worked in excess of 40 hours in any one week or in excess of eight (8) hours in any one day shall be considered overtime. Whenever it shall be greater and shall be paid not more than one half

EXHIBIT No. 71—Continued

- 2 -

the regular hourly rate. Any time worked in excess of 54½ hours in one week shall be paid for at double time. On August 1, 1955 the guaranteed week shall constitute 40 hours, same take home pay. Any time worked in excess of 52 hours in one week shall be paid for at double time. It is understood that there shall not be overtime or daily overtime based on both weekly and daily overtime. In the event that it becomes necessary to reduce the number of employees covered by this Agreement, such reduction shall be made in order of seniority, provided, however, that the remaining employees shall be guaranteed a minimum of 42½ hours a week from August 1, 1955 to July 31, 1956. Beginning August 1, 1956 the guaranteed minimum would then be 40 hours per week.

4. There shall be one Chief Steward in each of the above mentioned stores and he shall receive 5¢ per hour over and above his regular rate of pay.
5. Starting time shall remain as at present. Any change in starting time shall be made upon giving two weeks notice of such change to the Union.

EXHIBIT No. 71—Continued

- 3 -

5a. Lunch hour for all personnel mentioned above shall be one-half hour.

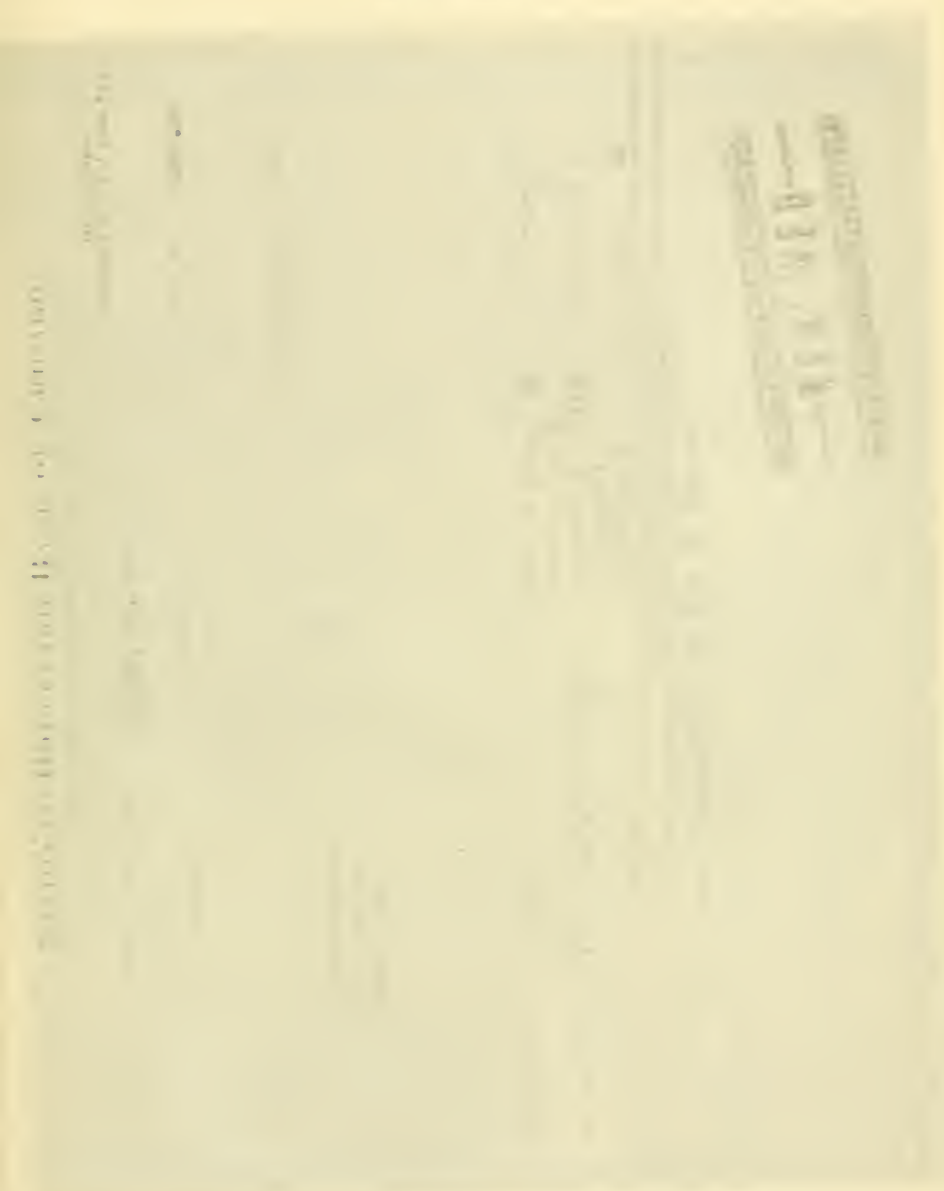
There shall be grievance and arbitration procedures.

For the Union

For the Association

__________George L. Anderson__

EXHIBIT No. 73



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